

1 UNITED STATES DISTRICT COURT  
2 NORTHERN DISTRICT OF OHIO  
3 EASTERN DIVISION  
4 \_\_\_\_\_  
5 )  
6 IN RE: NATIONAL PRESCRIPTION ) MDL No. 2804  
7 OPIATE LITIGATION )  
8 ) Case No. 17-MD-2804  
9 THIS DOCUMENT RELATES TO: )  
10 ALL CASES ) Hon. Dan A. Polster  
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10 \*\* HIGHLY CONFIDENTIAL \*\*  
11 \*\* SUBJECT TO FURTHER CONFIDENTIALITY REVIEW \*\*  
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13 VIDEOTAPED 30(b)(6) DEPOSITION OF  
14 DORON HERMAN  
15 TEL AVIV, ISRAEL  
16 THURSDAY, JUNE 20, 2019  
17 9:08 A.M.  
18  
19  
20  
21

22 GOLKOW LITIGATION SERVICES  
23 877.370.3377 ph | 917.591.5672 fax  
24 deps@golkow.com  
25

1 Videotaped 30(b)(6) deposition of DORON  
2 HERMAN, taken in the above-entitled cause pending  
3 in the United States District Court, Northern  
4 District of Ohio, Eastern Division, pursuant to  
5 notice, before BRENDA MATZOV, CA CSR 9243, at  
6 the Carlton Hotel, 10 Eliezer Peri Street, Sepia  
7 Hall, 14th Floor, Tel Aviv, Israel, on Thursday,  
8 the 20th day of June, 2019, at 9:08 a.m.

9

10

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12 ALSO PRESENT:

13 VINCENT ROSICA, Videographer

14 ZACH HONE, Trial Technician

15 KATHLEEN HUDNALL, Wagstaff & Cartmell

16 GAL ORMAN, ADV., Teva Pharmaceutical

Industries, Ltd.

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14		Pursuant to Rule 30(b)(6) to	
15		Defendant Teva Pharmaceutical	
16		Industries Ltd.," Dated	
17		June 6, 2019	
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20		Herman, SVP, Head of Global	
21		Tax, Teva Pharmaceuticals"	
22		(No Bates Number)	27
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17	Exhibit 39	Spreadsheets Entitled "Sample Page from GL File 6243" and "Sample Page from GL File 6244"	
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6	Exhibit 43	E-mail from Jon Miller to Cynthia Condodina and Others, Dated June 13, 2016, Subject: "FW: CEO Leadership Forum Deck" and Related PowerPoint Presentation Printout Entitled "CEO Leadership Forum," Dated May 31, 2016 (TEVA_MDL_A_01071814 to TEVA_MDL_A_01071815)	218
12	Exhibit 44	E-mail from Shlomit Faier to Fred Andrush and Others, Dated July 27, 2011, Subject: "Life Cycle Management Meeting - Diamonds Summary" and Related E-mail Chain and PowerPoint Presentation Printout Entitled "Global Generic Resources," Dated February 14, 2008 (TEVA_MDL_A_12265532 and TEVA_MDL_A_12265535)	225
18	Exhibit 45	E-mail from Colleen McGinn to Michael Edwards and Others, Dated August 19, 2015, Subject: "FW: Global Internal Audit: DEA - Final Report" and Related E-mail Chain and Document Entitled "DEA, Drug Enforcement Administration - Handling Controlled Substances in US," Dated August 19, 2015 (TEVA_MDL_A_02475564 to TEVA_MDL_A_02475585)	240
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3	Exhibit 46	E-mail from Matthew Benkert to Arie Arditi and Others, Dated August 30, 2016, Subject: "RE: DEA-Monitoring Table-June25-2016" and Related E-mail Chain and Attachment Entitled "OP2015-04-DEA Audit Monitoring Table"	
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5	Exhibit 47	E-mail from Eric Elbaz to Joyce Godshall and Others, Dated May 31, 2011, Subject: "PhV Internal Audit Report - Final" and Related Document Entitled "Teva Pharmaceuticals Pharmacovigilance Audit Report," Dated January 25-27, 2011	
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7	Exhibit 48	E-mail from Hedva Volioovitch to James Ottinger and Others, Dated March 14, 2012, Subject: "Intro to PhV for Regulatory Affairs (Jim Ottinger's Group) - 14 March 2012.pptx" and Related PowerPoint Presentation Printout Entitled "Introduction to Teva Global Drug Safety & Pharmacovigilance," Dated March 14, 2012	
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3	Exhibit 49	E-mail from Tal Kleinfeld to Wendy Huisman and Others, Dated October 28, 2010, Subject: "No Subject-111 EML" and Related Document Entitled "Safety Information on Company Products," Effective Date May 1, 2010 (TEVA_MDL_A_13240798 to TEVA_MDL_A_13240802)	289
8	Exhibit 50	Document Entitled "Handling Safety Information on Company Products," Effective Date November 15, 2016 (TEVA_MDL_A_03011230 to TEVA_MDL_A_03011237)	289
12	Exhibit 51	E-mail from Dennis Miley to Tal Kleinfeld and Others, Dated April 20, 2010, Subject: "Fw: Cases to QA Dept - Breakthrough Pain on Fentanyl" and Related E-mail Chain (TEVA_MDL_A_10159045 to TEVA_MDL_A_10159046)	294
16	Exhibit 52	E-mail from Susan Larijani to Mark Hewitt and Others, Dated November 13, 2014, Subject: "FW: Pharmacovigilance Training_Nov 2014.pptx" and Related E-mail Chain and PowerPoint Presentation Printout Entitled "Annual Medical Information Pharmacovigilance Review," Dated November 13-14, 2014 (TEVA_MDL_A_11283916 to TEVA_MDL_A_11283918)	298
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3	Exhibit 58	E-mail from James Sterchele to Arvind Narayana, Dated October 23, 2012, Subject: "Fw: Hydrocodone C33237/1099 and C33237/1106 Protocols for Your Endorsement" and Related E-mail Chain and Document Entitled "Clinical Study Protocol"	
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19	Exhibit 62	E-mail from Brian Rubenstein to Marc Goshko and Others, Dated June 29, 2010, Subject: "July 6-7" and Related Document Entitled "Product Liability Conference Agenda"	
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3	Exhibit 63	E-mail from Shannon Dzubin	
4		to Shannon Dzubin and Others,	
5		Dated September 27, 2017,	
6		Subject: "Government Affairs:	
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10	Exhibit 64	Document Entitled "Teva	
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1 TEL AVIV, ISRAEL; THURSDAY, JUNE 20, 2019

2 9:08 A.M.

3

4 THE VIDEOGRAPHER: We are now on record.

5 My name is Vince Rosica. I'm a videographer

6 for Golkow Litigation Services. Today's date

7 is June 20th, 2019, and the time is 9:08 a.m.

8 This video deposition is being held in Tel Aviv,

9 Israel, in the matter of National Prescription

10 Opiate Litigation, MDL No. 2804, for the United

11 States District Court, for the Northern District

12 of Ohio, Eastern Division.

13 The deponent is Doron Herman.

14 Counsel will be noted on the stenographic

15 record.

16 The court reporter is Brenda Matzov,

17 who will now swear in the witness.

18

19 DORON HERMAN,

20 called as a witness, being first duly

21 sworn, was examined and testified as

22 hereinafter set forth.

23

24 //

25 //

1 EXAMINATION

2 BY MR. CRAWFORD:

3 Q. Good morning. Could you please state  
4 your full name for the record?

5 A. Doron Herman.

6 Q. My name is Mark Crawford. I represent  
7 the plaintiffs in the National Opioid Litigation  
8 in Federal Court 1 in Cleveland, Ohio. I'll be  
9 asking you questions today, as will my colleague,  
10 Tom Cartmell, who also represents the plaintiffs  
11 in this litigation.

12 I understand you're a lawyer; correct?

13 A. I'm a lawyer by training.

14 Q. And you received your graduate legal  
15 education in the US; correct?

16 A. I did.

17 Q. And I presume you're fluent in English  
18 and able to understand English?

19 A. I do.

20 Q. We're -- we're here today to record  
21 your deposition by court reporter and videotape.

22 You understand you were sworn in by  
23 the court reporter under oath to tell the truth;  
24 correct?

25 A. I do.

1 Q. And have you ever had your deposition  
2 taken before?

3 A. No.

4 Q. So there are some basic rules. One  
5 is -- and the court reporter reminded everybody  
6 about that -- is to wait for me to finish the  
7 question, and I will do the same to wait for  
8 you to finish the answer, because she's taking  
9 everything down verbatim. And that's really  
10 mostly for a clean record but also for her  
11 benefit too so we're not talking over each  
12 other.

13 A. Agreed.

14 Q. Good. If a question is unclear,  
15 please ask me to rephrase it, and I'll try  
16 to ask it more clear, better fashion. Don't  
17 hesitate to do that. And, of course, we will  
18 be taking breaks. So if you want to take a  
19 break earlier, please let me know, as long as  
20 we're not in the middle of a question.

21 Understood?

22 A. Understood.

23 Q. Okay. Can you state your employer?

24 A. Teva Pharmaceutical Industries Ltd.

25 Q. And can we refer to it or do you have

1 a shorthand way of referring to your employer?

2 A. Teva Pharmaceuticals -- "Teva" is -- can  
3 be confusing because Teva is a group of companies.  
4 We're not very imaginative in calling our companies  
5 different names, so all of them are called Teva  
6 something. So Teva USA, Teva UK. So "Teva" can  
7 be confusing.

8 So let's stick with TPI, which is Teva  
9 Pharmaceutical Industries abbreviated.

10 Q. Okay. "TPI," is that kind of the normal  
11 lingo that you use --

12 A. Yes. Yes.

13 Q. Hold on. Let me finish my question.

14 A. Sorry.

15 Q. -- the normal lingo you use?

16 I'm pretty slow at asking my questions,  
17 so bear with me.

18 A. Sorry about that.

19 Q. If you're around the office, would you  
20 normally refer to it as TPI, Teva Pharmaceutical  
21 Industries Ltd.?

22 A. Yes. TPI.

23 Q. Have you ever heard people use the  
24 term "Teva Ltd." to refer to your employer?

25 A. They might. But it's not -- it doesn't

1 represent anything specific. We have several  
2 companies that could go by the name Teva Ltd.

3 Q. So TPI is the preferred shorthand.

4 Yeah. All right. I'll try to remember to do  
5 that because I keep calling it Teva Ltd. back  
6 in the States. So I'll change here.

7 What is your current work address?

8 A. 5 Basel Street, Petach Tikva, Israel.

9 Q. What is your current position?

10 A. Head of tax.

11 Q. And how long have you been with TPI?

12 A. For 13 and a half years.

13 Q. And so you've been with Teva for that  
14 long or longer?

15 A. No, that's the term. I joined TPI,  
16 always been TPI.

17 Q. And always been head of tax?

18 A. Yes.

19 Q. Are you represented here by counsel  
20 today?

21 A. Yes, I am.

22 Q. And who is that?

23 A. These are Rebecca and Jon. And Gal  
24 from our internal legal department.

25 Q. And -- and do you know what law firm

1     they're with?

2             A.     Morgan Lewis.

3             Q.     And do they also represent Teva or  
4     TPI in this case? Do you know?

5             A.     Yes, they do.

6             MR. CRAWFORD: All right. I want  
7     to mark the first exhibit, which is the Amended  
8     Notice of Deposition. It will be Exhibit 1.

9             (Exhibit 1 marked.)

10            MS. HILLYER: Do you have more, Mark,  
11     or just one?

12            MR. CRAWFORD: Just one. I mean, given  
13     the --

14            MS. HILLYER: Okay.

15            MR. CRAWFORD: -- circumstances, we  
16     were not able to make tons of copies. But we're  
17     flashing it up on the screen, if anyone wants to --

18            MS. HILLYER: Okay.

19            MR. CRAWFORD: -- look at it there.

20            Q.     BY MR. CRAWFORD: All right. Have you  
21     seen this document before?

22            A.     (Examining.) I've been informed of the  
23     nature of my deposition today as a representative  
24     of TPI.

25            Q.     But have you actually seen this document

1 or something similar to it in this case?

2 A. No.

3 Q. Okay. And for the record, it's the:

4 "First Amended Notice of Deposition

5 Pursuant to Rule 30(b)(6) to Defendant Teva

6 Pharmaceutical Industries Ltd."

7 So we're here today to take your  
8 deposition because you've been designated  
9 by TPI to testify as to certain topics under  
10 this Rule 30(b)(6).

11 Do you understand that?

12 A. Yes.

13 Q. Okay. And those topics are listed  
14 on pages 5 to 8.

15 A. Yes.

16 Q. And you see that at the bottom --  
17 at the bottom of page 5 starts with Topic 1:

18 "Your corporate organizational  
19 structure and governance," et cetera.

20 It leads on to 8; correct?

21 A. Yes.

22 Q. There are 13 topics total.

23 So you understand that you're here  
24 testifying on behalf of Teva Ltd., or TPI, on  
25 their behalf or designated on their behalf?

1 A. Yes.

2 Q. And do you understand that you were  
3 required to have undergone a reasonable search  
4 for information related to these topics?

5 A. Yes.

6 Q. And did you, in fact, conduct that  
7 search?

8 A. I did.

9 Q. And about how long -- well, first of  
10 all, are you prepared to testify as to these  
11 topics today?

12 A. Yes.

13 Q. And about how long did you prepare  
14 for the deposition?

15 A. In aggregate, about four to five days.

16 Q. And what did you do to prepare?

17 A. I reviewed documents, corporate documents,  
18 agreements, talked to people with the relevant  
19 information. A lot of it I know from my own  
20 work in Teva. That is largely it.

21 Q. Okay. And who did you talk to at the  
22 company? Or did you talk to people at the company  
23 or outside the company?

24 A. Yes. People in our tax department, in  
25 our legal department. Questions have been asked

1 to our HR department to the extent the relevant  
2 data is human resources related.

3 Q. Any other departments?

4 A. Not that I can recall.

5 Q. And did you talk to the lawyers here  
6 from Morgan Lewis?

7 A. I have.

8 Q. And about how long?

9 A. A day and a half.

10 Q. And how did you become familiar with  
11 these topics if you hadn't seen this before?

12 A. I've been given the topics themselves.  
13 I've been given, but not in this document.

14 Q. In writing, you mean?

15 A. In writing, yes.

16 Q. Did the writing have anything else  
17 on it or just -- just the topics?

18 MS. HILLYER: And just caution you  
19 not to disclose any substantive communications  
20 from your counsel.

21 THE WITNESS: Yes, I have seen the  
22 topics themselves in writing.

23 Q. BY MR. CRAWFORD: Okay.

24 A. But not in the context of the ...

25 Q. Is there anything else that you can

1 disclose from the writing without violating the  
2 privilege that you saw in this memo or whatever  
3 it was?

4 A. I'm not sure what you mean.

5 Q. Okay. So you saw a paper with the  
6 topics listed; right?

7 A. Yes.

8 Q. And were there other things written  
9 on the paper besides the topics?

10 A. No. These were referred to as the  
11 topics I needed to be familiar with in order  
12 to testify.

13 Q. Right.

14 So they just had the topics on them?

15 A. Yes.

16 Q. Okay. Can you just generally describe  
17 the documents you reviewed?

18 MS. HILLYER: And, again, I'll just  
19 caution you to just give very high-level categories  
20 so as not to divulge any attorney work product.

21 THE WITNESS: Yes. As I said, corporate  
22 documents, organizational charts, agreements,  
23 inter-company agreements within the Teva group.

24 Q. BY MR. CRAWFORD: A lot of corporate --  
25 corporate governance docs? Is that what you

1 looked at?

2 A. Yes.

3 Q. Okay. And how about SEC filings and --  
4 and government filings?

5 A. Not so much.

6 Q. Okay. Now, are you -- do you understand  
7 that this notice also requests production of  
8 documents? And -- and we have received documents  
9 from your counsel here.

10 But were you aware that there are  
11 topics -- categories of documents you were to  
12 produce?

13 A. Yes.

14 Q. Okay. I think there are five categories  
15 on page 5.

16 Did you undertake a search for these  
17 documents, or did someone assist you with it?

18 MS. HILLYER: Objection to the extent  
19 this was not directed at a witness as much as  
20 to TPI.

21 MR. CRAWFORD: Okay.

22 Q. BY MR. CRAWFORD: But did you under --  
23 personally undergo any search? Or were you part  
24 of the search?

25 A. As head of tax, I was responsible to

1 produce the tax returns of TPI. None of the  
2 others was I personally involved in producing.

3 Q. All right. Thank you.

4 A. With correction, the general ledger.

5 Q. Oh, okay. And the ledger, is that  
6 production -- or have you given all the ledgers  
7 to your counsel that were requested?

8 MS. HILLYER: Same objection.

9 THE WITNESS: We have given ledgers.  
10 I'm not sure about all the ledgers that were  
11 requested. I can't attest to that. We've  
12 given a substantial amount of ledgers, journal  
13 entries related to what was asked.

14 Q. BY MR. CRAWFORD: And were you the  
15 person in charge of collecting up the ledgers  
16 for the request?

17 A. I oversaw the collection.

18 Q. Okay. Next, Exhibit 2, we're marking  
19 the -- a LinkedIn page that we've pulled for  
20 you.

21 Did you bring a CV at all?

22 A. Not --

23 Q. Oh, hold on. Let's let the court  
24 reporter --

25 (Exhibit 2 marked.)

1 MS. HILLYER: And just for the record,  
2 we produced the witness' CV to you, Mark, prior  
3 to today. I think last week.

4 MR. CRAWFORD: All right. I -- sorry.  
5 I must have missed that. So we have a -- thank  
6 you, Becca.

7 Q. BY MR. CRAWFORD: So we have a LinkedIn  
8 page instead.

9 Is this something that -- you have a  
10 LinkedIn page?

11 A. I do.

12 Q. Okay. And did you prepare your LinkedIn  
13 page?

14 A. I did.

15 Q. And does this look like the information  
16 you put on your LinkedIn page?

17 A. I did. It does.

18 Q. All right. And it references that you're  
19 head of tax at Teva Pharmaceutical since January  
20 2006. So you -- I think you were explaining before  
21 why, if you worked at TPI, you put it down as Teva  
22 Pharmaceuticals.

23 A. That just has to do with the way LinkedIn  
24 works. And it has -- when you start writing, it  
25 has specific names of companies that it knows.

1 And if they're not on the list, you cannot choose  
2 them. So in order to be associated with other  
3 people in Teva, I need to choose from a very  
4 specific list of companies. And the best match  
5 I could find was Teva Pharmaceuticals.

6 Q. What is TPI's primary business?

7 A. TPI is a developer, manufacturer, and  
8 distributor of pharmaceutical products.

9 Q. And how many employees does TPI have  
10 globally?

11 A. TPI's employees are almost predominantly  
12 in Israel. I'm not sure about the actual current  
13 number. We've been downsizing. I think it's  
14 around 5,000.

15 Q. And they're -- those employees are  
16 predominantly in Israel; correct?

17 A. Yes. TPI employees are predominantly  
18 in Israel.

19 Q. And as head of tax, what are your  
20 responsibilities?

21 A. I'm responsible for the tax compliance  
22 and tax planning for TPI and its subsidiaries.  
23 So I ensure that TPI files its tax returns as  
24 required, adequately, fully reflecting the correct  
25 facts and circumstances and the results of our

1 business. And I also oversee the preparation  
2 of tax returns in our subsidiaries.

3 Q. Would that include your US subsidiaries?

4 A. That includes our US subsidiaries.

5 Q. And can you elaborate more on your role  
6 of overseeing the preparation your subsidiary  
7 tax returns?

8 A. We have -- Teva USA has a tax team  
9 responsible for preparing the tax returns. My  
10 role is to ensure that they are trained, that  
11 they have the adequate resources, and that they  
12 actually do what they need to do on time so that  
13 Teva USA is compliant with its requirements --  
14 with its legal requirements in the US.

15 Q. Okay. So does that require your  
16 department to have some familiarity with US  
17 tax law?

18 A. Very general. Because we just make  
19 sure that it happens. We don't actually prepare  
20 tax returns for the US -- for the US subsidiaries.  
21 We just need to understand that it's within reason  
22 what they are doing.

23 Q. And do you make any examination of the  
24 numbers and make sure the basic numbers are correct?

25 A. High --

1 MS. HILLYER: Objection to form.

2 Go ahead.

3 THE WITNESS: High-level review of the  
4 numbers to ensure that they look reasonable compared  
5 to what we know about the business of Teva USA.

6 Q. BY MR. CRAWFORD: And how many are in  
7 your department, in the tax department?

8 A. Globally, there are 70 people.

9 Q. For -- for TPI?

10 A. No. For the various subsidiaries.

11 In TPI there are -- we are six, including  
12 myself.

13 Q. And do the US subs' tax people -- to  
14 the extent the subs have a tax person -- do they  
15 report to you?

16 A. They are employees of Teva USA. They  
17 have a professional reporting line, professional  
18 community that is the 70 people tax group of Teva.

19 (Court reporter clarification.)

20 THE WITNESS: It's the professional  
21 community, the professional reporting line. So  
22 they have two reportings.

23 Q. BY MR. CRAWFORD: What do you mean by  
24 "two reportings"?

25 A. They are part of Teva USA. But

1 professionally they are also part of this  
2 global organization that is the Teva tax group.

3 Q. And you oversee the whole Teva tax  
4 group globally?

5 A. Yes.

6 Q. And of all the US subs, how many have  
7 a tax department that -- that you interface with?

8 A. Teva USA is the only -- is where our  
9 tax group sits. They are now between 13 and 15  
10 people strong. And they do the tax work for all  
11 the US subsidiaries because our subsidiaries file  
12 a consolidated tax return. So it's not separate  
13 tax returns. Although, for state, they are  
14 separate -- some of them are separate. But we  
15 file a consolidated tax return. And, therefore,  
16 the tax team for TUSA does the work for all of  
17 the US subsidiaries.

18 Q. Okay. And who is the head of tax at  
19 Teva USA?

20 A. Patricia Sestak.

21 Q. And does she report to you?

22 A. She does.

23 Q. Is there an approval process for the  
24 US tax return? I mean, do you have to sign off  
25 on them? Or -- or do you just look them over

1 and give them feedback? Or how does that work?

2 MS. HILLYER: Objection to form and  
3 to the extent it's beyond the scope.

4 THE WITNESS: There is a dual approval  
5 process. At the end of the day, the officers  
6 of the legal entity need to sign the tax return  
7 and, outside the US, also the financial statements  
8 of that legal entity. And so the tax -- the  
9 local tax team's task is to prepare the tax  
10 return and also get the officers comfortable  
11 that they can sign on the tax return, although  
12 they are not tax experts. But they can sign  
13 as officers of the company on the tax return.

14 So that is this route of approval.  
15 And, concurrently, there is an overview by  
16 the group, by me, someone in my team, of the  
17 tax return that has been prepared.

18 Q. BY MR. CRAWFORD: So the signing,  
19 that was the tax preparers within the tax  
20 department at Teva USA? Is that what you're  
21 saying?

22 A. No.

23 Q. Okay. Who signs?

24 A. The tax preparer -- the tax -- the  
25 tax -- will prepare the tax returns. But these

1 are the officers, the directors of the legal  
2 entity that need to sign the financial statements --  
3 not in the US, but outside the US -- and the tax  
4 return.

5 Q. So the tax return in the US has to be  
6 signed by an officer of -- of -- of the local  
7 subsidiary --

8 A. Yes.

9 Q. -- correct?

10 A. Yes.

11 Q. And -- but there's an approval process  
12 too -- do you have to approve too of the tax form  
13 before it's filed internally?

14 MS. HILLYER: Objection to form.

15 THE WITNESS: I review the tax return.  
16 I pose questions. But I don't -- I don't approve  
17 it in a formal way.

18 Q. BY MR. CRAWFORD: Thank you.

19 Now, are you aware of -- of the --  
20 that there are various TPI -- get it right  
21 there -- TPI subsidiaries or indirect or  
22 wholly-owned subsidiaries that are -- that  
23 are named as defendants in the federal opiate  
24 litigation?

25 A. Not all of them.

1 Q. Okay. But you're aware that some  
2 TPI subs are named as defendants in the US  
3 opiate litigation; right?

4 A. Yes.

5 Q. Okay. And I was going to read you  
6 their names that I know of.

7 Teva Pharmaceuticals USA Inc., which  
8 we're calling Teva USA; right?

9 A. Yes.

10 Q. Okay.

11 A. Or TUSA.

12 Q. And Cephalon Inc. Watson Laboratories  
13 Inc. Actavis LLC. Actavis Pharma Inc., fka  
14 Watson Pharma Inc. And Anda Inc.

15 Are these all Teva Ltd. direct or  
16 indirect subsidiaries?

17 A. Yes.

18 MR. CRAWFORD: Yeah. Let's mark the  
19 next exhibit.

20 (Exhibit 3 marked.)

21 Q. BY MR. CRAWFORD: We've marked Exhibit  
22 3, which is a corporate org chart. And this was  
23 a chart in another deposition, 30(b)(6) deposition,  
24 in this case of John Hassler.

25 Do you know John Hassler at all?

1 A. I know of John Hassler.

2 Q. And I just want to go over some of these  
3 corporate relationships with you.

4 Does this -- does this look like an  
5 accurate --

6 A. Yeah.

7 (Brief interruption in the proceedings.)

8 MR. CRAWFORD: Okay. I think there's  
9 a ghost making coffee here.

10 Q. BY MR. CRAWFORD: All right. Okay.

11 So does this chart look like an accurate  
12 representation of the corporate family relationship  
13 of Teva?

14 A. (Examining.) It has the main holdings.  
15 Correct.

16 Q. All right. Okay. So -- so let's go  
17 to Teva Pharmaceuticals USA Inc.

18 Their direct parents are Orvet UK and  
19 Teva Pharmaceutical Holdings Cooperatieve UA;  
20 correct?

21 A. Yes.

22 Q. And what is Teva Ltd.'s relationship,  
23 if any, with Teva Pharmaceutical Holdings  
24 Cooperatieve UA?

25 A. Teva Pharmaceutical Holdings Cooperatieve

1 was part of a transaction -- internal transaction  
2 that the group undertook about ten years ago,  
3 an internal restructuring of our corporate --  
4 corporation resulting in a Dutch cooperative  
5 that is both a shareholder in TUSA but also  
6 indirectly a subsidiary of TUSA.

7 Q. Subsidiary of what?

8 A. Of TUSA, of Teva USA. It's owned  
9 indirectly by TUSA -- TUSA. But it's also  
10 a shareholder in TUSA.

11 Q. You're saying "TUSA"?

12 A. Teva USA. Teva Pharmaceuticals USA.  
13 TUSA.

14 Q. T-U-S-A?

15 A. Yes.

16 Q. All right.

17 A. Teva USA.

18 Q. That's kind of the shorthand that you  
19 guys use around the office to refer to Teva USA?

20 A. Yes.

21 Q. Okay. Do you mind if I call them Teva  
22 USA?

23 A. Not at all. I will try to do the same.

24 Q. Okay. All right. So who owns Teva  
25 Pharmaceutical Holdings Cooperative?

1           A.     IVAX LLC, as it shows here. That is  
2     a subsidiary of Teva Pharmaceuticals, Teva USA.

3           Q.     So IVAX LLC owns Teva Pharmaceutical  
4     Holdings?

5           A.     Yes. These are circular holdings.

6           Q.     It is a circle.

7           A.     That resulted from a corporate  
8     restructuring.

9           Q.     So, in effect, Teva USA is a sub of  
10    Teva Pharmaceutical Holdings, which is a sub  
11    of IVAX, which is a sub of Teva Pharmaceuticals  
12    USA?

13          A.     Yes. This is commonly referred to  
14    as hook stock, a circle of holdings.

15          Q.     A hook stock?

16          A.     Hook stock.

17                 (Court reporter clarification.)

18                 THE WITNESS: Hook stock. These are --  
19    this is the jargon in US corporate law. The  
20    company that holds its own -- a subsidiary that  
21    holds its own parent shares.

22          Q.     BY MR. CRAWFORD: Okay. And stock  
23    is s-t-o-c-k?

24          A.     Yes, shares.

25          Q.     All right. So are Orvet and Teva

1     Pharmaceutical Holdings, are they basically  
2     holding companies?

3             A.     Yes, they are.

4             Q.     So they -- how many employees do each  
5     of them have?

6             A.     None.

7             Q.     And they don't have any operations;  
8     correct?

9             A.     No.

10            Q.     Well, they don't have any operations?  
11     Is that --

12                   MS. HILLYER:   It's a double negative --

13                   MR. CRAWFORD:   It is.

14                   MS. HILLYER:   -- if you say "no."

15                   THE WITNESS:   They don't have -- correct,  
16     they don't have any operations.

17             Q.     BY MR. CRAWFORD:   Thank you.

18                   So Teva Pharmaceuticals USA is the  
19     direct parent of IVAX LLC and Actavis Holdco  
20     US Inc.; correct?

21             A.     Yes.

22             Q.     Okay.   Are those two holding companies?

23             A.     Given that the business in the US is  
24     very integrated, I am not sure what part of the  
25     US business operates in which company below Teva

1 USA.

2 Q. But do you know how many employees each  
3 of those has?

4 A. Not individually.

5 Q. Is it possible they don't have any  
6 employees?

7 A. It can be. We have 120 legal entities  
8 in the US that operate as one economic unit.  
9 Some of them have specific roles. But, generally,  
10 all of them are engaged in the same business in  
11 the US.

12 Q. And the operations primarily for that  
13 integrated business is out of Teva USA; correct?

14 A. It is --

15 MS. HILLYER: Objection to form.

16 THE WITNESS: The business is run in  
17 the US. And they're all subsidiaries of Teva  
18 USA.

19 Q. BY MR. CRAWFORD: All right. But --  
20 okay. Cephalon, though, is a subsidiary of  
21 Cupric Holding, which is then a sub of TPI;  
22 correct?

23 A. Correct.

24 Q. So there's no ownership of Teva USA  
25 of Cephalon, no direct ownership line; right?

1 A. Right.

2 Q. And so is Cupric basically a holding  
3 company? Correct?

4 A. Yes.

5 Q. And they have no employees or operations;  
6 correct?

7 A. Not that I know of.

8 Q. Okay. But Cephalon, do they have any  
9 operations?

10 A. Yes.

11 Q. And how many employees does Cephalon  
12 have?

13 A. I'm not sure.

14 Q. And what are their operations?

15 A. They develop and manufacture and sell  
16 pharmaceutical products more on the innovative --  
17 innovative side versus Teva USA whose main business  
18 is generics.

19 Q. And so Cephalon, do you know if they  
20 have more than 50 employees?

21 MS. HILLYER: Objection to the extent  
22 it calls for speculation.

23 THE WITNESS: I don't know.

24 Q. BY MR. CRAWFORD: How about IVAX LLC,  
25 is their -- they're a holding company? Or do

1     you not know?

2           A.     I'm not sure.

3           Q.     And do they have any operations? Do  
4     you know?

5           A.     I'm not sure. We bought the IVAX group  
6     in 2006. And its business, largely generics,  
7     integrated with Teva USA. So I'm not sure which  
8     employees sit where. But the generics business  
9     is run as one.

10           MR. CRAWFORD: All right. Let's mark  
11     the next exhibit.

12                     (Exhibit 4 marked.)

13           Q.     BY MR. CRAWFORD: Okay. We've marked  
14     here Exhibit 4, which is a spreadsheet from an  
15     Excel file that was produced by Teva in this  
16     case. The Bates number is down below.

17                     Does Exhibit 4 look familiar to you  
18     at all?

19           A.     (Examining.)

20           MS. HILLYER: Just objection to the  
21     extent this is an excerpt. It -- it's not clear  
22     whether this is the entire file, et cetera.

23           MR. CRAWFORD: Good point. I think  
24     it's an extracted file, maybe an excerpt.

25           MS. HILLYER: And to the extent it

1 was highlighted. I don't know if that highlighting  
2 was part of the document or not.

3 MR. CRAWFORD: It was not. So the  
4 highlighting, I think, was our work.

5 Q. BY MR. CRAWFORD: But I want to find  
6 out whether you're familiar with this document  
7 at all or the -- the database it came from.

8 A. No.

9 Q. All right. Do you have an understanding  
10 of what this exhibit is or what this represents?

11 A. I think I do.

12 Q. Okay. And what's your understanding?

13 A. These are products, meaning molecules,  
14 dosages, form of delivery, syrup, tablets,  
15 et cetera.

16 (Court reporter clarification.)

17 THE WITNESS: Form of delivery, syrup,  
18 tablets, et cetera.

19 I don't know what "NDC" is. It also  
20 has "Acquired From" or how we acquired the product.  
21 So it lists the various companies that we acquired,  
22 IVAX, Barr. I saw Actavis here too.

23 And then the last page, page 6, is  
24 products that -- as I understand, these are  
25 products that were developed by Teva, so they

1     were not acquired through acquisitions.

2           Q.     BY MR. CRAWFORD: All right. So,  
3     basically -- I think you -- you hit it here.

4                     But, basically, that third-to-last  
5     column, "Month of First Teva Sale," that roughly  
6     corresponds with the date of acquisition of the  
7     entity that brought -- brought it into the family;  
8     right?

9                     MS. HILLYER: Objection to the extent  
10    that this is beyond the scope. He doesn't have  
11    context for what this spreadsheet is. We don't  
12    have context for what this spreadsheet is or  
13    represents or what it's extracted from.

14                    And objection to form.

15           Q.     BY MR. CRAWFORD: Okay. It says:  
16                    "Month of First Teva Sale."

17                    Does that generally correspond with  
18    the acquisition of these entities?

19                    MS. HILLYER: Same objections.

20                    THE WITNESS: Yeah, I -- I don't know.  
21    We acquired IVAX in 2006. I can confirm this  
22    IVAX 2006 acquisition.

23           Q.     BY MR. CRAWFORD: So at the time of  
24    the acquisition, IVAX was making -- these are  
25    listing opioid products; right?

1 MS. HILLYER: Objection to the --

2 THE WITNESS: I don't know.

3 MS. HILLYER: Objection to the extent  
4 it's beyond the scope and we don't have the  
5 context for this document.

6 Q. BY MR. CRAWFORD: Do you know if IVAX  
7 sold opioids before it was acquired?

8 MS. HILLYER: Objection to the extent  
9 it's beyond the scope.

10 You can answer if you have personal  
11 knowledge.

12 THE WITNESS: No, I -- I don't know.

13 Q. BY MR. CRAWFORD: And do you know if  
14 Teva sold these products after these dates?

15 MS. HILLYER: Objection to the extent  
16 it's beyond the scope.

17 You can answer if you know from your --

18 THE WITNESS: No.

19 MS. HILLYER: -- personal knowledge.

20 THE WITNESS: I don't.

21 (Court reporter clarification.)

22 MS. HILLYER: No, that's right.

23 You can answer if you know from your  
24 personal knowledge.

25 THE WITNESS: I don't know.

1 Q. BY MR. CRAWFORD: All right. So the  
2 first page, it lists as the "Acquired From" as --  
3 as the:

4 "IVAX Entities."

5 Correct?

6 MS. HILLYER: Same objection to the  
7 document.

8 THE WITNESS: That's what it says.

9 Q. BY MR. CRAWFORD: So is it your  
10 understanding that Teva acquired these products  
11 from IVAX and first sold the product on the date  
12 listed?

13 MS. HILLYER: Objection. Assumes facts  
14 not in evidence. The witness doesn't even know  
15 what this document is or where this data came  
16 from. And he said he doesn't know these specific  
17 products.

18 So you can answer if you have personal  
19 knowledge.

20 THE WITNESS: No, I don't.

21 Q. BY MR. CRAWFORD: Do you think it's  
22 a logical interpretation of this document?

23 MS. HILLYER: Objection to form. No  
24 context for this document. Calls for speculation  
25 and beyond the scope.

1           You can answer if you have personal  
2   knowledge.

3           THE WITNESS: All I can do is personally  
4   speculate.

5           Q. BY MR. CRAWFORD: Okay. I don't want  
6   you to speculate. So let's move on to page 2.  
7   It says:

8           "Acquired From."

9           "Barr Entities."

10          "Month of First Teva Sale."

11          "12/1/2008."

12          Does that roughly correspond, in your  
13   recollection, of the year in which the Barr  
14   entities were acquired by Teva?

15          A. 2008 is the year -- end of 2008 is  
16   when we acquired Barr.

17          Q. And then looking at the third page:

18          "Acquired From."

19          "Cephalon."

20          "Month of First Teva Sale."

21          "10/1/2011."

22          Does that correspond, in your estimation,  
23   with Teva's acquisition of Cephalon?

24          A. 2011 is -- we acquired Cephalon. Yes.

25          Q. Okay. And looking at the next page,

1 4 and 5, it lists as:

2 "Acquired From."

3 "Actavis Entities."

4 And it lists:

5 "8/1/2016."

6 Does that roughly correspond with the  
7 date Teva acquired the Actavis entities?

8 A. We closed the Actavis acquisition in  
9 August of 2016.

10 Q. So it does; correct?

11 MS. HILLYER: Objection to form.

12 THE WITNESS: That's what I know. We  
13 closed -- I don't know about sales. I know about  
14 closing of transactions.

15 Q. BY MR. CRAWFORD: Right.

16 But you know that the closing of the  
17 transaction occurred in August of 2016?

18 A. Yes.

19 Q. Okay.

20 A. That I can confirm.

21 Q. All right. And then going to the last  
22 page, I think you referenced it. It says:

23 "N/A - Teva" under "Acquired From."

24 That means "not applicable"; correct?

25 A. Yes.

1 MS. HILLYER: Objection to the extent  
2 he has no context for this document.

3 Q. BY MR. CRAWFORD: And your understanding  
4 of this was that these were legacy Teva products  
5 that were developed internally rather than getting  
6 through an acquisition?

7 MS. HILLYER: Objection. Assumes fact  
8 not in evidence. The witness has no knowledge  
9 of this document.

10 You can answer if you know of personal  
11 knowledge.

12 This is beyond the scope.

13 THE WITNESS: I speculate that this is  
14 what it means.

15 MR. CRAWFORD: I think you're coaching  
16 the witness at this point. I need you to stick  
17 to a form objection.

18 MS. HILLYER: I'm stating my objection.

19 MR. CRAWFORD: No. I'd prefer --

20 MS. HILLYER: Well --

21 MR. CARTMELL: -- if you would just  
22 state --

23 MS. HILLYER: Okay.

24 MR. CRAWFORD: -- you would just state  
25 an objection. And all of them are preserved. But

1 I think you're coaching. Because every time you  
2 say the objection, he parrots your words.

3 MS. HILLYER: He doesn't parrot a single  
4 word. I'm saying it's beyond the scope. He can  
5 answer in his personal knowledge. That needs  
6 to be on the record so that my question -- my  
7 objection is clear that what the witness is now  
8 testifying, after my objection, is from his personal  
9 knowledge and not on behalf of TPI. So I'm going  
10 to --

11 MR. CARTMELL: I agree with that.

12 MS. HILLYER: -- make that on the record.

13 MR. CRAWFORD: I agree with that. But  
14 the other objections are really coaching objections.

15 MS. HILLYER: I disagree.

16 MR. CRAWFORD: So let's move on.

17 MS. HILLYER: We can move on.

18 MR. CRAWFORD: Okay. Let's mark the  
19 next set of exhibits. These are a set of five.  
20 So just mark the five of them in this order.

21 MS. HILLYER: Do we have clips or  
22 staples?

23 MR. CRAWFORD: No. I'm going to go  
24 through them separately. I just want to mark  
25 them as a batch.

1 MS. HILLYER: Okay. Mark, I think --  
2 we're marking them separately?

3 MR. CRAWFORD: Yeah.

4 MS. HILLYER: Oh, okay. I thought you  
5 just said you wanted them as a batch.

6 MR. CRAWFORD: Right. But I'm going  
7 to mark them separately, five exhibits.

8 MS. HILLYER: Okay.

9 (Exhibit 5, Exhibit 6, Exhibit 7,  
10 Exhibit 8, and Exhibit 9 marked.)

11 Q. BY MR. CRAWFORD: A couple follow-up  
12 questions on the last exhibit.

13 Did Teva USA sell those products that  
14 are listed there?

15 MS. HILLYER: Objection. Beyond the  
16 scope.

17 You can answer if you have personal  
18 knowledge.

19 THE WITNESS: I don't know. And I  
20 am part of TPI. We usually do not engage in  
21 that level of detail. This is what we have  
22 Teva USA for.

23 Q. BY MR. CRAWFORD: And do you know  
24 where the Teva entity that sells it, where they  
25 get the raw materials from to make the product?

1 MS. HILLYER: Objection. Beyond the  
2 scope.

3 You can answer if you have personal  
4 knowledge.

5 THE WITNESS: No.

6 Q. BY MR. CRAWFORD: Are you familiar with  
7 a Teva entity called Teva Active Pharmaceutical  
8 Ingredients?

9 (Court reporter clarification.)

10 MR. CRAWFORD: Teva Pharmaceutical  
11 Active Ingredients. [sic]

12 Q. BY MR. CRAWFORD: TAPI?

13 A. Uh-huh. Yes.

14 Q. Okay. And that's a Teva Ltd. subsidiary  
15 of some sort; correct?

16 A. I assume you refer to Teva API Inc. --

17 Q. Okay.

18 A. -- a US company. We have several Teva  
19 API across the world, legal entities. So I just  
20 want to make sure that we talk about the same  
21 entity.

22 Q. So there are several entities with  
23 the same name that are separate?

24 MS. HILLYER: Objection to form.  
25 Mischaracterizes his testimony.

1           THE WITNESS: We have many companies  
2     in the group that are called "Teva." We have  
3     several companies engaged in producing active  
4     pharmaceutical ingredients. When abbreviated,  
5     some of them have very similar names.

6           Q. BY MR. CRAWFORD: Is there one that --  
7     that -- that's called Teva Active Pharmaceutical  
8     Ingredients that's a Teva subsidiary?

9           A. I believe there are two like that,  
10    at least two like this, one in the US and one  
11    in the Netherlands.

12          Q. And do you know if TAPI makes any of  
13    the ingredients for Teva USA's opioid products?

14          MS. HILLYER: Objection. Beyond the  
15    scope.

16          You can answer if you have personal  
17    knowledge.

18          THE WITNESS: No, I don't.

19          Q. BY MR. CRAWFORD: All right. We've  
20    marked a series of five corporate organizational  
21    charts. These were produced for this -- in  
22    relationship to this deposition. And I really  
23    just want to go through -- they are delineated  
24    by year at the top. And I want you to take  
25    a look at them. One year is 2006. Another

1 is July of 2011. And another is March 2010.

2 And then April 17th, 2019.

3 MR. CRAWFORD: Is that just four --  
4 four exhibits?

5 MS. HILLYER: Five.

6 THE WITNESS: Five. One is 2006.

7 Q. BY MR. CRAWFORD: Oh, okay.

8 A. (Examining.) 2009, '11, '10, and  
9 '19.

10 Q. And are these -- these documents  
11 produced -- strike that.

12 Have you ever seen these documents?

13 A. Yes.

14 Q. And did you collect these or help  
15 collect them up for this deposition?

16 A. I have not.

17 Q. Okay. But you reviewed them in  
18 preparation for the deposition?

19 A. Yes.

20 Q. And are they accurate to the best  
21 of your knowledge?

22 A. Yes.

23 Q. And were these produced in the ordinary  
24 course of the Teva business?

25 MS. HILLYER: Objection to form.

1 THE WITNESS: Yes. They are produced --  
2 ordinary, they are produced.

3 MR. CRAWFORD: All right. Let's move  
4 to the next group. We're marking Exhibit 10.

5 (Exhibit 10 marked.)

6 Q. BY MR. CRAWFORD: All right. We've  
7 marked what I'll represent is a printout from  
8 the TevaPharm webpage or website. It's called:

9 "Our History. Bringing quality"  
10 medications "to the world since 1901." (As read.)

11 Let me just ask you some foundational  
12 questions. Does Teva -- I've lost track of the  
13 name of it already -- Teva Ltd. --

14 MS. HILLYER: TPI.

15 MR. CRAWFORD: TPI. Thank you.

16 Q. BY MR. CRAWFORD: Does TPI have a  
17 website?

18 MS. HILLYER: Objection to the extent  
19 it's beyond the scope.

20 THE WITNESS: TPI maintains a website.  
21 It is a portal, a door to all of our subsidiaries.

22 Q. BY MR. CRAWFORD: So the subsidiaries  
23 don't have a separate website? It's all through  
24 the -- the TPI website?

25 A. Some of them do.

1 MS. HILLYER: Objection -- objection  
2 to the form to the extent it's beyond the scope.

3 Q. BY MR. CRAWFORD: How about Teva USA,  
4 do they have a separate website?

5 MS. HILLYER: Objection to the extent  
6 it's beyond the scope.

7 You can answer if you have personal  
8 knowledge.

9 THE WITNESS: Yeah, I -- I -- they had  
10 a website. I'm not sure if it's on still. They  
11 had a website, a separate website.

12 Q. BY MR. CRAWFORD: And what is the TPI  
13 website? Www dot something; right?

14 MS. HILLYER: Objection to the extent  
15 it's beyond the scope.

16 You can answer if you have personal  
17 knowledge of the website as for TPI.

18 MR. CARTMELL: Sorry. I want to make  
19 a record right now about the coaching of the  
20 witness and -- because I think this is going  
21 to be read later. I think the proper form is  
22 to object to the form --

23 MS. HILLYER: Not if it's beyond the  
24 scope.

25 MR. CARTMELL: Let me finish.

1 MS. HILLYER: All right. Go ahead, Tom.

2 MR. CARTMELL: Object to the form. If  
3 it's beyond the scope, I'll tell you that we're  
4 willing to let you preserve any of those objections  
5 to any question. In other words, there's no need --  
6 and you didn't know this. I'm telling you now.

7 MS. HILLYER: Okay. I'll respond in  
8 a minute.

9 MR. CARTMELL: There's no reason for  
10 you to make that objection. Because, for any  
11 question we ask today, we are willing to give  
12 you the right to challenge it as being outside  
13 the scope of the notice. Therefore, there's  
14 no reason to make that.

15 When you then go beyond that and say  
16 to the witness over and over again, you can answer  
17 if you have personal knowledge, that's coaching  
18 of the witness. And it's inappropriate according  
19 to the rules.

20 You don't -- we can tell the witness  
21 right now we're only asking him to answer questions  
22 that he has personal knowledge of. And he can  
23 tell us if he doesn't have personal knowledge of  
24 something. That goes for every single question  
25 we -- we ask today. So that's clear.

1 MS. HILLYER: Okay. I disagree. It's --  
2 the record is clear that I'm not coaching the  
3 witness. And I am entitled to say it's beyond  
4 the scope. I appreciate your offer, but I'm not  
5 taking you up on it. I will continue to make my  
6 objection on the record, as I'm entitled to do,  
7 to the extent it's beyond the scope and that he  
8 may answer in his personal knowledge. That is  
9 not coaching at all. That's the rule.

10 You may answer the question.

11 MR. CARTMELL: I'll respond to that.  
12 That's not the rule.

13 MS. HILLYER: Okay.

14 MR. CARTMELL: The rule is clear.  
15 There's case law out the ying-yang about how  
16 the proper objection in Federal Court is "object  
17 to the form."

18 MS. HILLYER: Not if it's beyond the  
19 scope.

20 MR. CARTMELL: If I ask you -- if I  
21 ask you --

22 MS. HILLYER: It's not a form objection,  
23 Tom.

24 MR. CARTMELL: -- the reason for your --  
25 no. No. It is. Because what we're asking today

1 is 30(b)(6) noticed questions. And we've given  
2 you the right to -- to object later on to anything  
3 as outside the scope.

4 MS. HILLYER: Well, I don't have to do  
5 it that way.

6 MR. CARTMELL: Well --

7 MS. HILLYER: I can make my --

8 MR. CARTMELL: -- you do have to do  
9 it that --

10 MS. HILLYER: -- objections on the  
11 record. You want to call Special Master Cohen?

12 MR. CARTMELL: -- especially when it's  
13 coaching. And that's what's clear --

14 MS. HILLYER: Tom.

15 MR. CARTMELL: -- you don't need to  
16 make it. But you make it to every question  
17 because you're trying to coach the witness.  
18 And he adopts exactly what you say.

19 MS. HILLYER: He answers --

20 MR. CARTMELL: That's what we're --

21 MS. HILLYER: -- questions --

22 MR. CARTMELL: -- noticing.

23 MS. HILLYER: -- if he knows in his  
24 personal capacity. I'm allowed to state on  
25 the record if --

1 MR. CARTMELL: No.

2 MS. HILLYER: You want to call --

3 we can go off the record and call Cohen in

4 the middle of the night and wake him up.

5 MR. CARTMELL: If --

6 MS. HILLYER: I'm making my objections

7 on the record if it's beyond the scope. I'm not

8 waiving that. And I'm not waiting until after

9 the deposition to do it. That's how it's going

10 to go down. You can take it now, or we can call

11 Cohen on your direct.

12 MR. CARTMELL: No. I'm making a record

13 now because you're right --

14 MS. HILLYER: Okay.

15 MR. CARTMELL: -- Special Master Cohen

16 is asleep in the middle of the night.

17 MS. HILLYER: Yes.

18 MR. CARTMELL: I want this to be clear

19 to him --

20 MS. HILLYER: Okay.

21 MR. CARTMELL: -- when we go to him and

22 ask him --

23 MS. HILLYER: Okay.

24 MR. CARTMELL: -- for relief.

25 MS. HILLYER: So I think that we've

1 taken enough time. You've made your case.

2 I've made mine. We're going to keep going.

3 Q. BY MR. CRAWFORD: All right. We've  
4 marked a -- going back to the website, you don't  
5 know the name of the web -- or do you know the  
6 name of the website that Teva Ltd. uses?

7 MS. HILLYER: Objection. Beyond the  
8 scope.

9 THE WITNESS: I know, from personal  
10 knowledge, that we had issues with the Teva.com  
11 domain name. It was taken. It took us time to  
12 get a commercial, acceptable domain name. Now --  
13 it's now TevaPharm.com.

14 We've been unifying our appearance to  
15 the world as a group. This is relatively new.  
16 And, therefore, I'm not sure if the Teva USA  
17 site that was separate from the TPI site, whether  
18 Teva USA site was integrated into our global, new --  
19 relatively new global site or is it still up and  
20 running concurrently.

21 Q. BY MR. CRAWFORD: What do you mean by  
22 "unifying our appearance"?

23 A. Until recently, like till a year ago,  
24 and even still today, the companies that comprise  
25 the Teva group each had its own logo. We acquired

1 companies and did not require them to change  
2 their appearance -- their visual appearance.

3 So in Germany, the company remained  
4 Ratiopharm by name. And also the logo was orange.  
5 Our colors are green. It was orange and had the  
6 Ratiopharm name. It means they also --

7 Q. You're saying "Ratiopharm"?

8 A. Ratiopharm. That's the German subsidiary.

9 In Chile, we have Lab Chile. It is part  
10 of the Teva group. But it kept its separate name,  
11 not only legal name, but also commercial name,  
12 trademark, and logo. So we were -- we did not  
13 have a common visual representation to the outside  
14 world and internally as a group of companies.

15 In recent years, we are trying to get --  
16 with the notion that, like many other companies,  
17 the brand -- the corporate brand can have a value  
18 if we invest in -- in having the same appearance,  
19 we tried to unify the way we look to the -- to  
20 the world.

21 Q. Okay. These other entities with different  
22 names, Ratiopharm, are they required, under this  
23 new regiment, to change their name to Teva or just  
24 adopt the appearance?

25 A. The appearance.

1 MS. HILLYER: Objection to form. Beyond  
2 the scope.

3 Q. BY MR. CRAWFORD: So they'll keep their  
4 name. But then --

5 A. The legal --

6 Q. -- are they going to put a -- are they  
7 going to put a Teva logo on it as well? Or how  
8 are they going to do it?

9 MS. HILLYER: Objection. Beyond the  
10 scope.

11 THE WITNESS: The legal entity names  
12 do not change unless there's a reason, not  
13 commercial, not marketing, to change. They  
14 will or they are supposed to adopt the Teva  
15 logo with or instead of their existing logos.

16 Q. BY MR. CRAWFORD: And how about Cephalon,  
17 do they have their own logo that they use? Or  
18 are they going to phase that out? How does that  
19 work?

20 MS. HILLYER: Objection to form and  
21 beyond the scope.

22 THE WITNESS: I'm not sure what the  
23 plan and timing is for Cephalon.

24 Q. BY MR. CRAWFORD: Okay. So we've marked  
25 Exhibit 10 here. It's called:

1 "Our History."

2 It's been, I'll represent, pulled from  
3 the Teva website. Does this look familiar to  
4 you at all?

5 A. (Examining.) It does.

6 Q. And is the website content, is that  
7 prepared by or with the approval of employees  
8 of Teva or -- or TPI?

9 MS. HILLYER: Objection. Beyond the  
10 scope.

11 THE WITNESS: The website is prepared  
12 by TPI.

13 Q. BY MR. CRAWFORD: And as far as you  
14 know, this history that's -- and they try to  
15 make it as accurate as possible; correct?

16 MS. HILLYER: Objection. Beyond the  
17 scope.

18 THE WITNESS: They try to make it as  
19 clear to the layman as possible. They usually  
20 don't stick to legal entity names. They tend to  
21 generalize what we understand is a more complex  
22 environment.

23 For example, the fact that they -- and  
24 I admit even myself refer to "we" as if it's a  
25 collective being, where we know that these are

1 450 legal entities that are comprising this "we."

2 Q. BY MR. CRAWFORD: But the new plan is  
3 to try and present it as a single global entity;  
4 right?

5 MS. HILLYER: Objection to form.

6 THE WITNESS: No. It is to convey  
7 that this group has shared quality standards,  
8 shared aspirations to make people's life better.  
9 We operate as we operate.

10 Q. BY MR. CRAWFORD: Can these companies,  
11 these Teva subsidiaries, opt out of this kind  
12 of visual plan that you're putting together?

13 A. They have some leeway in the way they  
14 will implement. For example, we mentioned whether  
15 it's only the Teva logo or Teva logo with the  
16 legacy logo together. But, generally, we believe --  
17 the group believes that it has value -- can create  
18 value in unifying the marketing appearance and the  
19 visual language.

20 Q. So is -- is it a requirement to at least  
21 accept some of the visual aids that you have?

22 MS. HILLYER: Objection to form. Vague.

23 THE WITNESS: If a subsidiary sees the  
24 logo as a detriment to its business, it will signal  
25 it and will get an exception. I am not aware of

1 a company that has signaled that moving to this  
2 new logo will harm its business, will jeopardize  
3 its position in the market, et cetera.

4 Q. BY MR. CRAWFORD: Okay. So this --  
5 was this a -- who came up with the idea or --  
6 or -- or directive to do this?

7 MS. HILLYER: Objection. Beyond the  
8 scope.

9 THE WITNESS: In TPI, we have a  
10 communications department. And they have  
11 devised the logo and the graphical language.  
12 The logo is just part of a larger set of  
13 graphical rules.

14 Q. BY MR. CRAWFORD: Okay. And as far  
15 as Exhibit 10, is this true and accurate to  
16 the best of your knowledge?

17 MS. HILLYER: Objection. Beyond the  
18 scope.

19 Are you asking is it a true printout  
20 or the information --

21 MR. CRAWFORD: That the information  
22 is accurate.

23 MS. HILLYER: Okay. So take your time.  
24 Look through all of the information.

25 THE WITNESS: (Examining.) On the face

1 of it, it looks accurate. The years look correct,  
2 with the caveat that it does not have the legal  
3 entity names. It is very layman oriented, not  
4 detailed or accurate -- legally accurate. It's  
5 a -- it's a marketing tool.

6 (Court reporter clarification.)

7 THE WITNESS: It's a marketing tool,  
8 not a manifestation of the legal situation.

9 MR. CRAWFORD: Thank you.

10 I'm going to hand you another group  
11 of exhibits, 11 through 15. Maybe you want to  
12 hand me the stickers and I'll put them on?

13 (Exhibit 11, Exhibit 12, Exhibit 13,  
14 Exhibit 14, and Exhibit 15 marked.)

15 MS. HILLYER: We've been going about an  
16 hour. Do you want to take a break?

17 MR. CRAWFORD: Sure.

18 THE VIDEOGRAPHER: The time is 10:05 a.m.  
19 We are now off the record.

20 (Recess from 10:05 a.m. to 10:16 a.m.)

21 THE VIDEOGRAPHER: The time is 10:16 a.m.  
22 We are back on the record.

23 MS. HILLYER: Mark, do you just want  
24 to make sure we are on the same page as to which  
25 exhibit is which? I want to make sure that I

1 have them numbered right and --

2 MR. CRAWFORD: Yeah. Okay.

3 So we've marked here Exhibits 11 through  
4 15. That's five press releases we've marked. And  
5 11 deals with the acquisition of IVAX. 12 deals  
6 with TPI's acquisition of Barr. 13 deals with  
7 TPI's acquisition of Cephalon. 14 deals with TPI's  
8 acquisition of the Actavis generic entities. And  
9 15 deals with TPI's acquisition of Anda Inc. from  
10 Allergan.

11 MS. HILLYER: Okay.

12 Q. BY MR. CRAWFORD: So we just marked  
13 here, as I mentioned, Exhibits 11 through 15.

14 Do you recognize these as Teva press  
15 releases?

16 A. (Examining.) Yes, I do.

17 Q. And does the -- if you could turn to  
18 Exhibit 11, that's the press release for TPI's  
19 acquisition of I -- IVAX.

20 Correct?

21 A. That is the press release that TPI  
22 issued when the group acquired IVAX. The legal  
23 acquirer was Teva USA, as you can see in the  
24 previous -- in one of those previous org charts.

25 Q. Okay.

1           A.     The legal entity acquiring was Teva  
2     USA.

3           Q.     So let's -- let's look at Exhibit 11.  
4                   So are these press releases prepared  
5     internally by TPI?

6                   MS. HILLYER:   Objection as to beyond  
7     the scope and to form.

8                   THE WITNESS:   Yes.   These are prepared  
9     by TPI, with the assistance of certain people,  
10    employees of Teva USA, which TPI maintains as  
11    service providers for what we call investors  
12    relations.

13          Q.     BY MR. CRAWFORD:   And what do you  
14    mean by "service providers"?

15          A.     TPI pays TUSA for their services.

16          Q.     Pays Teva USA for their services?

17          A.     Yes.

18          Q.     What services are they providing?

19          A.     Investor relations services.

20          Q.     So Teva USA provides investor relation  
21    services to TPI in helping them prepare the press  
22    releases?   Is that what you're saying?

23          A.     Yes.

24          Q.     And -- but TPI issues the press releases?

25                   MS. HILLYER:   Objection.   Beyond the

1 scope.

2 THE WITNESS: Yes. TPI is obligated  
3 under SEC rules, as a traded company in New York  
4 Stock Exchange in the US capital markets, to  
5 issue press releases informing investors about  
6 major business developments in the group of  
7 companies that we hold -- that it holds.

8 Q. BY MR. CRAWFORD: And because it's  
9 an SEC requirement, it's very important that  
10 information in the press release be accurate;  
11 correct?

12 MS. HILLYER: Objection. Beyond the  
13 scope.

14 THE WITNESS: I am not sure if the SEC  
15 requires that the legal acquirer within the group  
16 be specified.

17 Q. BY MR. CRAWFORD: But, generally, the  
18 SEC wants these press releases to be accurate;  
19 correct?

20 MS. HILLYER: Objection. Beyond the  
21 scope.

22 THE WITNESS: "Accuracy" can have many  
23 meanings. I am not sure the rule -- the SEC  
24 rules mandates that the legal acquirer within  
25 a group of companies that is consolidated for

1 GAAP, for accounting purposes, that the legal  
2 acquirer be specified.

3 Q. BY MR. CRAWFORD: But, internally, is --  
4 does TAPI -- TPI strive to make its press releases  
5 as accurate as possible?

6 MS. HILLYER: Objection. Beyond the  
7 scope and form.

8 THE WITNESS: We strive to comply with  
9 SEC rules about what needs to be in these press  
10 releases and how they portray the transaction.

11 Q. BY MR. CRAWFORD: But does the company  
12 internally strive to make them as accurate as  
13 possible in addition to complying with SEC rules?

14 MS. HILLYER: Same objection.

15 THE WITNESS: Accuracy as we understand  
16 as mandated by the rules.

17 Q. BY MR. CRAWFORD: And so for this IVAX  
18 press release, is everything within this true  
19 and correct to your knowledge?

20 A. It has been --

21 MS. HILLYER: Object -- hold on.

22 Objection to form and to the extent  
23 it's beyond the scope and broad.

24 THE WITNESS: It has been 12 years  
25 since I read the press release. So if you wish,

1 I can read it through.

2 Q. BY MR. CRAWFORD: If you could take  
3 a look at it. You -- you've done some -- some  
4 investigation for this deposition about corporate  
5 organization and structure; right?

6 A. Yes.

7 Q. And did you bring any materials with  
8 you today?

9 A. I have -- yeah, I have materials.  
10 I have corporate histories of some of the  
11 subsidiaries. I have a list of subsidiaries  
12 that TPI -- a partial list of the subsidiaries  
13 that TPI owns directly and indirectly and  
14 generally what they're engaged in, what kind  
15 of business they are engaged in, and other  
16 materials that relate to the topics that were  
17 on the -- on the notice.

18 Q. So you've looked at some of the corporate  
19 history, including the acquisitions of various  
20 Teva entities; right?

21 A. Yes.

22 Q. Okay. And what materials did you bring?

23 A. We have -- I have the history of Teva  
24 USA, corporate history of Teva USA.

25 Q. And where did you get that?

1           A.     From our legal department. Also the  
2     corporate history of one subsidiary. A summary  
3     of our main subsidiaries around the world and  
4     their primary activities.

5                     To the topic that discusses governance,  
6     I have the board membership over the years, who  
7     served on the board and on which committees they  
8     were, what ad hoc committees the board had.

9                     Our top management is called -- used  
10    to be called TEC, Teva Executive Committee. Now  
11    they're called Executive Management. They had  
12    a few sub-committees, sub -- topical sub-committees.  
13    I have a list of these right here. A list of  
14    global policies that TPI issues to its subsidiaries.  
15    I have guidelines that TPI issues for composition  
16    and governance of subsidiary boards. And I think  
17    that's it. Oh, and -- and the organizational  
18    charts I believe were already produced.

19                    MR. CRAWFORD: Do you -- do you have  
20    an extra copy of these? Thank you very much,  
21    Becca. Always on the ball. So thank you. All  
22    right. Give me a moment. On a break we'll look  
23    at these.

24                    Q.     BY MR. CRAWFORD: Okay. So for the --  
25    for IVAX, this acquisition, you were going to

1 look and see if there's anything that's inaccurate  
2 in that press release.

3 A. Okay. (Examining.)

4 MS. HILLYER: Objection to the extent  
5 it's beyond the scope and to form.

6 THE WITNESS: Okay. I don't see anything  
7 that is false in the statement here. But they  
8 are not legally accurate or full. They're lacking  
9 some of the details of the legal transaction itself,  
10 details that are of less importance to the investor  
11 community but for lawyers and tax people make a  
12 lot of difference.

13 For example, here there's a -- it says --  
14 it mentioned a merger agreement between the parties,  
15 which is correct, but not complete. Because there  
16 was a third participant in this merger agreement  
17 and that is Teva USA.

18 Q. BY MR. CRAWFORD: Explain to me how  
19 the merger agreement worked.

20 MS. HILLYER: Objection to the extent  
21 that's beyond the scope.

22 THE WITNESS: IVAX was a publicly traded  
23 company. The merger agreement had Teva USA receive  
24 the IVAX shares from the IVAX shareholders, giving  
25 them in exchange TPI shares, so that IVAX became

1 a subsidiary of Teva USA. TPI -- the IVAX  
2 shareholders became shareholders in TPI.

3 TPI issued the number of shares  
4 required, invested it through the holding  
5 chain, as was portrayed in the holding structure,  
6 to Teva USA for Teva USA to have these shares to  
7 give the IVAX shareholders in consideration for  
8 their IVAX shares. So there were three participants  
9 in this merger.

10 Q. BY MR. CRAWFORD: And the other -- and  
11 TPI was a participant; right?

12 MS. HILLYER: Was what?

13 THE WITNESS: TPI -- that -- that's  
14 why I said it's not -- it's not false but it's  
15 not complete. The legal complete statement  
16 would have three parties in the agreement. It's  
17 just this is a -- investors -- this is a document  
18 that is -- that talks to the investor community.

19 And the investor community, the capital  
20 markets, care less about the legal minutia of  
21 what exactly happened. They are interested in  
22 that the group that is called "Teva" has acquired  
23 the business that is called "IVAX." And that's  
24 what's portrayed here.

25 Q. BY MR. CRAWFORD: Okay. And is there

1 anything else that you want to clarify in here?

2 A. No.

3 Q. Okay. Let's go to the next exhibit.

4 That would be 12. That's the acquisition of  
5 Barr. And I have the same set of questions  
6 here.

7 Actually, let me go back to IVAX.  
8 What happened to the IVAX employees after  
9 the acquisition?

10 A. They -- to the extent they stayed --

11 MS. HILLYER: Objection to the extent  
12 it's beyond the scope.

13 Go ahead.

14 THE WITNESS: To the extent they stayed  
15 in employment, they are part of the Teva USA group  
16 now in the US.

17 Q. BY MR. CRAWFORD: Who eventually became  
18 their employer? Did they transition to be Teva  
19 USA employees?

20 MS. HILLYER: Objection to form and  
21 to the extent it's beyond the scope.

22 THE WITNESS: Yeah, I -- I don't know  
23 if they actually changed employers.

24 Q. BY MR. CRAWFORD: And was this acquisition  
25 approved by Teva Ltd.'s board of directors?

1 MS. HILLYER: Objection to the extent  
2 it's beyond the scope.

3 THE WITNESS: Yes.

4 Q. BY MR. CRAWFORD: Okay. And the same  
5 questions for Barr.

6 Is there anything in Exhibit 12 that  
7 you believe is inaccurate?

8 MS. HILLYER: Objection to form and  
9 to the extent it's beyond the scope.

10 THE WITNESS: As with the case of IVAX,  
11 it's accurate but lacks the legal level of detail  
12 regarding the transaction itself.

13 Q. BY MR. CRAWFORD: And explain why.

14 A. Because Barr was very similar to IVAX.  
15 Teva USA acquired the legal entity Barr using  
16 Teva -- TPI stock as consideration for the shares  
17 of Barr. So Barr shareholders became shareholders  
18 of TPI. And Barr itself -- the group of companies  
19 called Barr became a subsidiary of Teva USA.

20 Q. So how come Teva USA is not announcing  
21 that it acquired Barr?

22 MS. HILLYER: Objection. Beyond the  
23 scope.

24 THE WITNESS: Because Teva USA is  
25 not a reporting entity for SEC capital markets.

1 TPI is a traded company, and it makes all the  
2 announcements, reports, annual financial  
3 statements, et cetera.

4 Q. BY MR. CRAWFORD: Anything else  
5 inaccurate in here or that you want to clarify?

6 MS. HILLYER: Same objection.

7 THE WITNESS: I would need to read  
8 it, as it's substantially longer than the previous  
9 one.

10 Q. BY MR. CRAWFORD: If you want to skim  
11 it, that's fine.

12 MS. HILLYER: Well, you want him to say  
13 that everything's accurate in it.

14 Take the time to read it.

15 THE WITNESS: (Examining.) Same as  
16 with IVAX, I -- with a cursory reading of this,  
17 I don't see anything that is inaccurate. But  
18 it's not complete in the legal details sense.

19 Q. BY MR. CRAWFORD: All right. Did the  
20 board of directors approve this acquisition for  
21 Teva, TPI?

22 MS. HILLYER: Objection. Beyond the  
23 scope.

24 THE WITNESS: TPI board of directors  
25 approved. Teva USA board of directors approved.

1 I would assume the Barr board of directors  
2 approved.

3 Q. BY MR. CRAWFORD: All right. Okay.  
4 Turn to Exhibit 13.

5 This is the press release for the  
6 acquisition of Cephalon by TPI; correct?

7 A. Yes.

8 Q. And the board of directors made the  
9 decision -- the board of directors of TPI made  
10 the decision to proceed with this acquisition;  
11 correct?

12 MS. HILLYER: Objection. Beyond the  
13 scope.

14 THE WITNESS: The board of directors  
15 of TPI approved this acquisition. Yes.

16 Q. BY MR. CRAWFORD: And do you know what  
17 happened to the Cephalon employees? Did they  
18 change -- the -- the ones that stayed, did they  
19 change employers? Or did they stay employees  
20 of Cephalon?

21 MS. HILLYER: Objection to form and  
22 beyond the scope.

23 THE WITNESS: I don't know. I --

24 Q. BY MR. CRAWFORD: Oh, you don't know?  
25 Okay. I thought you were --

1           A.     I don't know.

2           Q.     Okay. All right. Let's go to the next  
3 one, Exhibit 14. That's the acquisition of the  
4 generic entities. This is the press release here.  
5 It's -- it's got some faults in the copy of the  
6 printing of it because it didn't print right from  
7 the website. But that's where I got it.

8                     Does this look like the Actavis -- my --  
9 my copy's bad. That looks a lot better. Okay.

10                    So does this look like the press release  
11 for Actavis generics?

12           A.     (Examining.) Yes.

13           Q.     And -- and the board of directors made  
14 the decision to acquire these Actavis generic  
15 entities; correct?

16                    MS. HILLYER: Objection. Beyond the  
17 scope.

18                    THE WITNESS: TPI board of directors  
19 approved these acquisitions. I say "approved"  
20 because the legal structure is significantly  
21 more complicated than what is depicted here.

22                    There were actually 15 or 16 different  
23 transactions required in order to acquire the  
24 various elements of what is generally referred  
25 to as Actavis generics. But it's actually a

1 large group of companies in various locations.

2 Again, these are documents that are  
3 meant for the investors community. They don't  
4 care much about legal details. The acquisition  
5 of Actavis was a very complex legal deal, very  
6 abbreviated in what is described here.

7 Q. BY MR. CRAWFORD: All right. Let's  
8 go to the next exhibit, please. This is the  
9 Teva press release for the acquisition of Anda  
10 Inc. from Allergan.

11 Is that what you recognize this to be?

12 A. Yes.

13 Q. Let's move on to Exhibit 9000 [sic] --  
14 or Exhibit 16, internal number 9000. Okay.  
15 We'll be here for a lifetime with that. Okay.

16 (Exhibit 16 marked.)

17 Q. BY MR. CRAWFORD: This is a document  
18 entitled:

19 "Settlement Agreement and Mutual  
20 Release."

21 It's dated January 31st, 2018. And  
22 this -- was this a settlement of disputes between  
23 Teva Ltd. and Allergan PLC that arose after the  
24 2016 acquisition of the Actavis generic entities?

25 Correct?

1 MS. HILLYER: Objection to the extent  
2 it's beyond the scope.

3 THE WITNESS: (Examining.) That's what  
4 it appears to be.

5 Q. BY MR. CRAWFORD: I'm sorry. What did  
6 you say? It appears so?

7 A. That's what it appears to be.

8 Q. Okay. And did you sign this agreement?

9 A. I may have as I have -- I'm a signatory --  
10 I have signatory powers for TPI. And I sign a  
11 lot of things. I may have. Yeah. That's me.

12 Q. Okay. You're looking at what page?

13 A. The very end.

14 Q. Okay.

15 A. I lost track. Perhaps 12.

16 Q. Right.

17 And it was also signed by Michael  
18 McClellan; correct?

19 A. Yes.

20 Q. Now, is Mr. McClellan a employee of  
21 Teva or TPI?

22 A. Mr. McClellan is a loaned employee.  
23 He's on secondment from Teva USA. So his  
24 employment agreement is with Teva USA. But  
25 he is seconded for a period of time for this

1 position to Teva -- to TPI.

2 Q. Did you say "seconded"?

3 A. "Seconded."

4 Q. What does that mean?

5 A. It means that the functional employer,  
6 the company who -- his manager is a TPI employee.  
7 His subordinates are TPI employees. This function,  
8 if it weren't for Mr. McClellan, would be filled  
9 by a TPI employee. His salary is paid by Teva  
10 USA. And then TPI pays Teva USA for the salary  
11 that Teva USA pays Mr. McClellan.

12 Q. Okay. And why is he being loaned to  
13 the company? Why isn't -- why aren't they using  
14 a regular TPI employee?

15 MS. HILLYER: Objection to form and  
16 to the extent it's beyond the scope.

17 THE WITNESS: On occasion, we identify  
18 key talented people that in the group -- a company  
19 in the group can have use of their talents, but  
20 they are residents and employed by another Teva  
21 company. And we -- the -- that Teva company  
22 seconds them for a period of time to the other  
23 Teva company.

24 Q. BY MR. CRAWFORD: All right. But he  
25 has -- he has enough authority to bind TPI by

1 signing this agreement; correct?

2 A. Yes.

3 MS. HILLYER: Objection. Beyond the  
4 scope and to the extent it calls for a legal  
5 conclusion.

6 THE WITNESS: In -- so long that he  
7 is seconded and, every practical purpose, is  
8 a TPI employee, except his salary is paid by  
9 Teva USA, he is authorized -- he's an authorized  
10 signatory for Teva -- for TPI.

11 Q. BY MR. CRAWFORD: Where is he located?

12 A. In Israel.

13 Q. Israel.

14 And where does he live in Israel?

15 A. In Jaffa.

16 Q. And how long has he lived in Israel?

17 MS. HILLYER: Objection. Beyond the  
18 scope.

19 Q. BY MR. CRAWFORD: To the extent you  
20 know.

21 A. I believe something like a year,  
22 about a year.

23 Q. And why did he move? Where was he  
24 before that?

25 MS. HILLYER: Objection. Beyond the

1 scope.

2 THE WITNESS: In the Netherlands.

3 Q. BY MR. CRAWFORD: And what was his  
4 position in the Netherlands?

5 MS. HILLYER: Objection. Beyond the  
6 scope.

7 THE WITNESS: He was transitioning from  
8 a position he held in Teva USA to a position he  
9 was supposed to be filling in Teva Pharmaceutical  
10 [sic] Europe, TPE, our Dutch main entity. With  
11 the events of 2017, he was offered the opportunity  
12 to be the Chief Financial Officer -- officer of  
13 TPI and moved with his family to Israel.

14 Q. BY MR. CRAWFORD: Okay. And can you --  
15 this basically was a settlement dispute that  
16 arose between Allergan PLC and TPI that emanates  
17 from the 2016 agreement to sell the generic  
18 Actavis entities; right?

19 MS. HILLYER: Objection. Beyond the  
20 scope and to the extent it calls for a legal  
21 conclusion.

22 THE WITNESS: It is a settlement  
23 agreement that TPI signed with Allergan.

24 Q. BY MR. CRAWFORD: And was one of the  
25 disputes in here a dispute about who would pay

1 for the opioid litigation in the United States?

2 MS. HILLYER: Objection. Beyond the  
3 scope. You know it's very beyond the scope  
4 now, Mark. I'll give you maybe one or two  
5 more questions.

6 This settlement agreement has nothing  
7 to do with a single topic. As directed by Cohen,  
8 he directed that this is not a fact witness  
9 deposition. And he made that clear. That  
10 issue is settled. I'll give you a little bit  
11 more leeway, but you are far afield.

12 MR. CRAWFORD: I disagree with that.  
13 I think this is right on topic.

14 MS. HILLYER: Which topic?

15 MR. CRAWFORD: It's on a bunch of them.

16 MS. HILLYER: Tell me.

17 MR. CRAWFORD: We'll have to talk about  
18 it at break.

19 MS. HILLYER: No. I want to know now  
20 which topics you think this covers or touches on.  
21 If -- actually, if there's several, then go ahead  
22 and name them.

23 MR. CRAWFORD: I have a pending question.  
24 So if the witness can answer.

25 MS. HILLYER: My objection's on the

1 record.

2 Q. BY MR. CRAWFORD: Do you need the  
3 question read back?

4 A. Yes.

5 (Record read as follows:

6 "QUESTION: And was one of the disputes  
7 in here a dispute about who would pay for  
8 the opioid litigation in the United States?")

9 MS. HILLYER: Objection. Beyond the  
10 scope and calls for a legal conclusion.

11 THE WITNESS: As stated in Section 4,  
12 we agreed, as part of the agreement, that Teva,  
13 as defined here, will be responsible for the  
14 defense of the claims, et cetera, regarding  
15 the opioids.

16 Q. BY MR. CRAWFORD: And how is "Teva"  
17 defined?

18 MS. HILLYER: Objection. Beyond the  
19 scope and calls for a legal conclusion.

20 Now you're asking him to interpret  
21 the document. That is also beyond the scope.  
22 We can go off the record, and we can talk about  
23 whether this is on the scope. But this is the  
24 last question on this document.

25 Q. BY MR. CRAWFORD: Do you need the

1 question read back?

2 A. No.

3 Teva -- there are, I think, two  
4 definitions that go to this. One is the  
5 very beginning that says Teva Pharmaceutical  
6 Industries Ltd., Teva. And then it says  
7 that capitalized terms are -- where is it?  
8 Capitalized terms are as defined in the  
9 master purchase agreement.

10 Q. So would it include Teva or TPI?

11 MS. HILLYER: No. No. I'm -- I'm  
12 going to stop this. We can talk about it on  
13 the break, if you want to. But that's it on  
14 this document. You know this is beyond the  
15 scope. If you want to sit here and tell me  
16 where you think it falls, then let's do that.  
17 Otherwise, I'm not wasting the witness' time  
18 on this.

19 MR. CRAWFORD: Well, we've got seven  
20 hours here. So --

21 MS. HILLYER: Okay.

22 MR. CRAWFORD: -- we're not wasting  
23 anyone's time.

24 MS. HILLYER: You're wasting his time  
25 as a fact witness. He's not a fact witness.

1     You fought that and lost, twice.

2                   MR. CRAWFORD:   Are you going to  
3     instruct him not to answer?

4                   MS. HILLYER:   I am, unless you want  
5     to tell me which one this falls under.   And  
6     then we can fight about that.

7                   And it calls for a legal conclusion  
8     for a document that he referenced that is not  
9     even in front of him.

10                  MR. CRAWFORD:   All right.   We'll talk  
11     about it at break, then.

12                  MS. HILLYER:   Okay.

13                  MR. CRAWFORD:   So you're not going  
14     to let him answer any more questions about  
15     this document?

16                  MS. HILLYER:   Not until we settle  
17     whether you think it's in scope and whether  
18     I agree.   At this point, I don't.   I'm open  
19     to hear the arguments.   But ...

20                  Q.   BY MR. CRAWFORD:   What were Teva Ltd.'s  
21     global revenues in 2018?

22                  MS. HILLYER:   Objection to the extent  
23     that's beyond the scope.

24                  THE WITNESS:   I don't recall by --  
25     by heart.   It's in our financial statements.

1 Q. BY MR. CRAWFORD: And do you know --

2 A. And I should mention that our financial  
3 statements are consolidated, meaning they aggregate  
4 the results of all of our subsidiaries. This is  
5 what US generally accepted accounting principles  
6 require us to do.

7 Q. And do you know what percentage of  
8 Teva Ltd. sales are in the US --

9 MS. HILLYER: Objection.

10 Q. BY MR. CRAWFORD: -- in, say, 2018?

11 MS. HILLYER: Objection to form.

12 THE WITNESS: No.

13 Q. BY MR. CRAWFORD: Do you have an  
14 approximate?

15 MS. HILLYER: Objection to form,  
16 "Teva Ltd. sales in the US."

17 MR. CRAWFORD: Revenue.

18 THE WITNESS: Let me explain.

19 TPI does not sell to third parties  
20 in the US. TPI sells to Teva USA. Teva USA  
21 is a manufacturer by its own right but also  
22 a distributor of TPI and other Teva companies  
23 in the US. So Teva USA buys from TPI. If  
24 you refer to this internal sale as a sale of --  
25 as a revenue of TPI, then we can count it.

1           Otherwise, if you're looking at --  
2   our consolidated financial statements show our  
3   sales to third parties. And TPI does not sell  
4   to third parties in the US. It sells to Teva  
5   USA.

6           Q.   BY MR. CRAWFORD: So what percentage  
7   of the revenues of TPI are US revenues derived  
8   from the US?

9           A.   I don't know the number, the percentage.

10           MR. CRAWFORD: Okay. Let's do the next  
11   one.

12           (Exhibit 17 marked.)

13           Q.   BY MR. CRAWFORD: Okay. We marked  
14   Exhibit 17, which is another press release:

15           "Teva Reports Fourth Quarter and Full  
16   Year 2018 Financial Results."

17           Is this, again, another Teva press  
18   release?

19           A.   (Examining.) It is.

20           Q.   Yeah. And if you look at the first  
21   page, does it look like Teva's reporting \$18.9  
22   billion in revenue for its global business?

23           Correct?

24           A.   That is correct.

25           Q.   And it looks like on page 6 -- it's

1 not numbered. But the sixth page, it starts  
2 with:

3 "GAAP financial expenses."

4 On the top line. Do you see that?

5 A. Yeah.

6 MS. HILLYER: Hold on. Yes.

7 Q. BY MR. CRAWFORD: If you look under  
8 "Segment Results for the Fourth Quarter," are  
9 there basically three segments described here?

10 A. Yes.

11 Q. Okay.

12 A. We report three segments.

13 Q. And that's North America, Europe, and  
14 International; right?

15 A. Yes.

16 Q. And can you explain to me what a segment  
17 is?

18 A. It's an accounting concept of -- I  
19 believe -- now I recite from recollection of  
20 the GAAP principle. But I believe that financial  
21 statements should reflect -- or the reporting --  
22 that's not a exact statement -- should reflect  
23 the way the management runs the company.

24 And as we run our company by region  
25 or by three regional segments, we should be

1 breaking up to a certain extent -- it's not  
2 full detailed financials -- but we should  
3 break some key financials into these segments.

4 Q. One of the segments is North America,  
5 that US and Canada; right?

6 A. Yes.

7 Q. And do you have employees at any of  
8 the Teva entities or at Teva USA running both  
9 USA and Canada operations?

10 MS. HILLYER: Objection to form.

11 "You have employees"?

12 MR. CRAWFORD: "Teva USA" I said.

13 Okay. Let me strike that, then.

14 Q. BY MR. CRAWFORD: Does Teva USA have  
15 employees that run both US and Canada operations?

16 MS. HILLYER: Objection to the extent  
17 that's beyond the scope.

18 THE WITNESS: Teva USA has employees  
19 overseeing Canadian operations. Teva Canada has  
20 a complete body of people and assets to run its  
21 own business.

22 Q. BY MR. CRAWFORD: So -- but Teva USA,  
23 there are employees there that also work on the  
24 operations of the Canadian companies?

25 A. Teva USA --

1 MS. HILLYER: Objection. Beyond the  
2 scope.

3 THE WITNESS: Teva USA has a few people  
4 whose job is defined "global," meaning exceeding --  
5 their purview exceeds US -- the US territory. And  
6 they oversee the Canadian operations. They don't  
7 do Canadian operations. They oversee Canadian  
8 operations.

9 Q. BY MR. CRAWFORD: What does that mean,  
10 to oversee?

11 A. Review, comment, challenge, as needed,  
12 projections or --

13 MS. HILLYER: Keep your voice up.

14 THE WITNESS: Yeah, sorry.

15 -- projections or budgets that the  
16 Canadian operation -- that the Canadian company  
17 prepares for its operations.

18 Q. BY MR. CRAWFORD: And are the people --  
19 the people at Teva USA who oversee both US and  
20 Canada, the people in Canada, do they report  
21 to that Teva USA person?

22 A. Yes. There are reporting lines.

23 Q. Okay. That's all I have on that.

24 (Exhibit 18 marked.)

25 Q. BY MR. CRAWFORD: So this is another

1 page I took from the Teva website, TevaPharm.com.

2 And the second page has a bunch of pictures of  
3 individuals under the heading:

4 "Corporate Officers."

5 Are all these individuals here corporate  
6 officers of Teva Ltd. or T -- TPI?

7 A. (Examining.) Yes. I -- I believe  
8 they are.

9 Q. Okay. And so are they also -- since  
10 they're officers, they're also employees of  
11 TPI; correct?

12 A. No.

13 Q. Okay. So --

14 A. Not all of the officers here are  
15 employees of TPI.

16 Q. Which ones are not employees?

17 MS. HILLYER: Objection to the extent  
18 it's beyond the scope.

19 THE WITNESS: We can go from the top  
20 left. Kare Schultz, CEO, is an employee of TPI.

21 Iris Beck-Codner is an employee of TPI,  
22 head of communication.

23 Richard Daniel is head of our European  
24 segment. And he's an employee of TPE, of the  
25 Dutch subsidiary.

1           Sven Dethlefs is an -- I'm not sure --  
2    I think an employee of Teva USA. But I'm not  
3    sure.

4           Hafrun is an employee of one of our  
5    US companies. That's the second row from the  
6    left.

7           Mike McClellan is, as we talked about,  
8    a TUSA employee seconded to TPI.

9           Gianfranco, leading our international  
10   segment, he's an employee of TPI.

11          Carlo de Notaristefani, last on the  
12   second row -- last to the right on the second  
13   row, is a Teva USA employee.

14          Brendan O'Grady -- third row from the  
15   left, Brendan O'Grady is a Teva USA employee.

16          Mark Sabag is a TPI employee.

17          David Stark is a Teva USA employee.

18          Nir -- last name escapes me now --  
19   is a --

20          MS. HILLYER: Baron. Baron.

21          THE WITNESS: Baron.

22          -- is a TPI employee.

23          And Lori is a Teva USA employee.

24          Q. BY MR. CRAWFORD: Okay. And why  
25   are all these individuals listed under the

1     Teva Pharmaceutical Industries Ltd. website?

2                     Do you see at the top of the page,  
3     it says:

4                     "Teva Pharmaceutical Industries Ltd."

5                     MS. HILLYER: Objection to the extent  
6     it's beyond the scope.

7                     THE WITNESS: Teva -- TPI, Teva Ltd.,  
8     oversees a larger diverse group of companies.  
9     And the management and oversight requires many  
10    subject-matter experts, some of which are in  
11    our subsidiaries and not in TPI itself, not  
12    living in Israel.

13                    They fulfill management functions  
14    for the group. Therefore, they are officers  
15    of TPI. That's the ultimate parent company  
16    of the entire group. But they are employees  
17    of their respective entities. TPI pays the  
18    respective entities for these services.

19                    Q.    BY MR. CRAWFORD: So they --

20                    A.    So the economic burden is borne  
21    ultimately by TPI. But they are employees  
22    of the companies in the countries where they  
23    reside.

24                    Q.    So is it similar to Mr. McClellan  
25    where they have been seconded, you said, to

1 TPI?

2 MS. HILLYER: Objection to form.

3 Q. BY MR. CRAWFORD: This is the non-TPI  
4 employees.

5 A. Not exactly.

6 Q. Are there any of them here that are  
7 seconded like Mr. McClellan?

8 A. Gianfranco Nazzi may be, the head  
9 of our international. I am not sure if he  
10 is employed by TPI fully because he resides  
11 in Israel. Yeah, I think he is employed by  
12 TPI. So yeah, it's only Mike -- Michael  
13 McClellan that is seconded.

14 Q. And why is TPI paying for these  
15 employees and its subs? What's -- why are  
16 they paying that?

17 A. TPI, as the parent company, has a --  
18 an obvious vested interest in the financial  
19 success and -- and business success of its  
20 subsidiaries. This oversight requires people  
21 that manage, that see a broader picture and  
22 look at the group as a whole but are close to  
23 the markets. So the head of the US, Brendan  
24 O'Grady, sits in the US. The head of Europe  
25 sits in Europe.

1 MR. CRAWFORD: Okay. So let's mark  
2 the next set of exhibits here. Can we take  
3 a little break? Because we're going to mark  
4 a bunch of them.

5 MS. HILLYER: Okay. Do you want to  
6 take a break-break or --

7 MR. CRAWFORD: Yeah. Let's take a  
8 five-minute break.

9 THE VIDEOGRAPHER: The time is 10:59  
10 a.m. We are now off the record.

11 (Recess from 10:59 a.m. to 11:12 a.m.)

12 (Exhibit 20, Exhibit 21, Exhibit 22,  
13 Exhibit 23, Exhibit 24, Exhibit 25, Exhibit  
14 26, Exhibit 27, and Exhibit 28 marked.)

15 THE VIDEOGRAPHER: The time is 11:12  
16 a.m. We are back on the record.

17 Q. BY MR. CRAWFORD: Just pull up Exhibit  
18 18 again. That was the --

19 A. Yes.

20 Q. -- pictures of the corporate officers.  
21 Right? I want to ask you about this.

22 This is on the -- the top of the Teva  
23 Pharmaceutical Industries' logo on the top of  
24 this webpage; correct?

25 A. It says:

1 "Teva Pharmaceutical Industries Ltd."

2 Q. And under that, it says:

3 "Corporate Officers."

4 And then it has these individuals.

5 You testified they are corporate  
6 officers of Teva Ltd. or TPI; right?

7 A. Yes.

8 Q. And they're also corporate officers  
9 of their respective entities that you mentioned  
10 when we went through them -- right? -- if they're  
11 different from TPI?

12 MS. HILLYER: Objection to the extent  
13 that's beyond the scope.

14 THE WITNESS: Some of them are. And --  
15 and I would like to, to the extent it's important,  
16 correct the record on who is employed by whom.

17 Q. BY MR. CRAWFORD: Yeah.

18 A. I made two mistakes that I verified  
19 on the --

20 Q. Okay.

21 A. -- break.

22 Gianfranco Nazzi, our head of  
23 international is -- international markets,  
24 is actually employed by TPE, Teva Pharmaceutical  
25 Europe in the Netherlands and is seconded to

1 TPI the same way Mr. McClellan is seconded from  
2 Teva USA.

3 And Richard Daniel, the head of Europe,  
4 is in -- is employed by Teva UK Ltd. and seconded  
5 to Teva Pharmaceutical [sic] Europe BV.

6 (Court reporter clarification.)

7 THE WITNESS: "BV."

8 Q. BY MR. CRAWFORD: So he's seconded  
9 to Teva Pharmaceuticals Europe BV? Is that  
10 what you said?

11 A. Yes.

12 Q. But they're all officers of Teva --

13 A. Yes.

14 Q. -- Pharmaceutical Industries Ltd.?

15 And they have responsibilities and  
16 duties to TPI; right?

17 A. Yes.

18 Q. And they also have responsibilities  
19 and duties with respect to -- if they're employer  
20 is different from TPI, they have duties and  
21 responsibilities as to those entities as well;  
22 correct?

23 MS. HILLYER: Objection to the extent  
24 that's beyond the scope.

25 THE WITNESS: Some of them do.

1 Q. BY MR. CRAWFORD: And -- and they're  
2 being paid for, ultimately, their services to  
3 TPI by TPI money; right?

4 A. Yes.

5 Q. All right. I've handed you a stack  
6 of bios which were taken off of the Teva Ltd.  
7 website.

8 All of them have the Teva Pharmaceutical  
9 Industries Ltd. name and logo at the top; correct?

10 A. (Examining.) Yes.

11 Q. And these are most of the individuals  
12 that were on Exhibit 18; correct?

13 MS. HILLYER: Do you want --

14 THE WITNESS: Yes. Most, if not all.

15 MS. HILLYER: -- to verify for the  
16 record to make sure I have what's -- which one  
17 is exhibit which?

18 MR. CRAWFORD: Okay.

19 MS. HILLYER: Because --

20 MR. CRAWFORD: Yeah.

21 MS. HILLYER: -- I just have a stack.  
22 I don't --

23 Q. BY MR. CRAWFORD: So we have -- I  
24 tried to put it in order, so I think they are.  
25 Exhibit 19 is Kare Schultz. And I'm going to

1 botch all kinds of names here, so bear with me.  
2 20 is David Stark. That's an easy one. 21 is  
3 Iris Beck-Codner. 22 is Mike McClellan. 23 is  
4 Brendan O'Grady. 24 is Hafrun Fridriksdottir.  
5 And 25 is Carlo de Notaristefani.

6 How am I doing so far?

7 A. Yeah.

8 Q. Okay. All right. 26 is Nir Baron.  
9 And 27 is Lori Queisser.

10 MS. HILLYER: "Queisser."

11 Q. BY MR. CRAWFORD: Queisser. 28 is  
12 Sven Dethlefs. All right. So let's go to the  
13 first one, Kare Schultz.

14 He is the -- Teva's current president  
15 and CEO; correct?

16 A. Yes.

17 Q. And he became that in -- November 1st,  
18 2017; correct?

19 A. Yes.

20 Q. And 20 is David Stark; correct?

21 A. Yes.

22 Q. And he is Executive Vice President,  
23 Chief Legal Officer of TPI; correct?

24 A. Yes.

25 Q. And you've said he has a position

1 with a -- an officer position with a US company.

2 What is that position?

3 MS. HILLYER: Objection to the extent  
4 that's beyond the scope.

5 THE WITNESS: Yeah, I'm not sure --  
6 I don't think he has a position with Teva USA.  
7 I believe Teva USA has a legal officer for Teva  
8 USA first, professionally reporting to David  
9 Stark.

10 Q. BY MR. CRAWFORD: So basically he's  
11 not -- is -- is he an employee of Teva USA?

12 A. He is an employee of Teva USA.

13 Q. But he doesn't have a position with  
14 Teva USA?

15 MS. HILLYER: Objection to form --

16 THE WITNESS: I --

17 MS. HILLYER: -- and -- sorry -- and  
18 to the extent it's beyond the scope.

19 THE WITNESS: I'm hesitant just because  
20 I don't recall the exact composition of Teva USA's  
21 board. And he may or may not be on the board  
22 of Teva USA. I don't recall who are the people  
23 currently on the board of Teva USA as directors.

24 But Teva USA has a legal officer serving  
25 its legal needs, reporting professionally to David

1 Stark.

2 Q. BY MR. CRAWFORD: And who is that officer?

3 MS. HILLYER: Objection. Beyond the

4 scope.

5 THE WITNESS: Kirsten Bauer.

6 Q. BY MR. CRAWFORD: So she reports to

7 David Stark, who is the Executive Vice President,

8 Chief Legal Officer of TPI; correct?

9 A. Yes.

10 Q. And you're not sure if he has an officer

11 position within Teva USA; correct?

12 A. Right.

13 Q. But you think he might be on the board

14 of directors -- correct? -- of Teva USA?

15 A. I don't recall if he is or isn't.

16 Q. But that's what you were trying to

17 recall; right?

18 A. Yes.

19 Q. And who was the report from Teva USA

20 that was reporting to him?

21 A. Kirsten Bauer.

22 Q. Kirsten Bauer?

23 A. (Witness nods head in the affirmative.)

24 Q. Okay. And in what capacity -- or what's

25 her position with Teva USA?

1 MS. HILLYER: Objection to the extent  
2 that's beyond the scope.

3 THE WITNESS: She's, if I recall correctly  
4 the title, the -- okay, I will paraphrase. But  
5 something like the head of legal for US business.

6 Q. BY MR. CRAWFORD: Okay. And is she  
7 also a TPI officer?

8 A. No.

9 Q. And where is David Stark based?

10 A. In the US.

11 Q. So what capacity is David Stark when  
12 the US counterpart reports to him?

13 MS. HILLYER: Objection to form.

14 Q. BY MR. CRAWFORD: I can't remember her  
15 name.

16 MS. HILLYER: And to the extent it's  
17 beyond the scope.

18 THE WITNESS: Could you clarify?

19 Her name is Kirsten Bauer. But could  
20 you clarify the question?

21 Q. BY MR. CRAWFORD: Yeah. So what --  
22 what capacity is he in when she reports to him?  
23 Is he -- is he a TPI officer when she reports  
24 to him?

25 MS. HILLYER: Objection to form.

1 THE WITNESS: No. In this capacity,  
2 his role is similar to my role in -- in -- in  
3 the tax domain. And that is, he is responsible  
4 and oversees the legal -- internal legal work  
5 that is being done in the Teva subsidiaries.

6 Q. BY MR. CRAWFORD: Globally?

7 A. Globally. All of the lawyers and  
8 paralegals and all of the people employed in  
9 our legal departments across the world have  
10 professional reporting lines ultimately to  
11 David Stark.

12 Q. As a TPI officer; correct?

13 A. As the --

14 MS. HILLYER: Objection to form to  
15 the extent that's beyond the scope.

16 You can answer.

17 THE WITNESS: As the Chief Legal  
18 Officer for the group.

19 Q. BY MR. CRAWFORD: And an officer  
20 of TPI; right?

21 A. He is also an officer of TPI.

22 Q. So are they reporting to him as  
23 the officer of TPI?

24 A. They're reporting --

25 MS. HILLYER: Objection to form.

1 THE WITNESS: They're reporting to  
2 him as the Chief Legal Officer of the company --  
3 of -- sorry -- of the group. The company is  
4 TPI. We have several -- 450 companies.

5 We have management structures that  
6 are designed to allow the group of companies  
7 to operate effectively. The legal structure,  
8 managerial structure is similar to the tax and --  
9 that we talked about.

10 Q. BY MR. CRAWFORD: So I -- I'm sorry.  
11 It's just not clear to me.

12 So there -- Ms. Bauer is reporting  
13 to him as the Chief Legal Officer of, you said,  
14 the group; right?

15 A. Yes.

16 Q. So what does that mean? What group?

17 A. The Teva group of companies.

18 Q. And what is that defined as?

19 A. That defines as TPI and all of its  
20 subsidiaries.

21 Q. So he's in charge of TPI legal and  
22 all of its subsidiaries ultimately; correct?

23 A. He's in charge of the legal -- yeah,  
24 of the legal work that's done in Teva, in the  
25 Teva group, in all the subsidiaries, the same

1 as I am in charge of the tax work that's done  
2 in the group for -- in all the subsidiaries.

3 Q. Next go to Exhibit 21, Iris Beck-Codner.

4 She is Executive Vice President, Global  
5 Brand and Communications; correct?

6 A. Yes.

7 Q. And I didn't write it down.

8 What was her -- who is her employer?

9 A. TPI.

10 Q. TPI.

11 And is she based in Israel?

12 A. Yes.

13 Q. And what her -- are her -- does she  
14 have somebody reporting to her from Teva USA?

15 A. Yes.

16 Q. And who is that?

17 A. I don't recall the name.

18 Q. Okay. And she is Executive VP, Global  
19 Brand and Communications.

20 So is she in the same position as far  
21 as group -- what do you call it? Group leader?

22 A. Uh-huh. Yes.

23 Q. Is she in the same position as you  
24 and Mr. Stark with regard to communications?

25 MS. HILLYER: Objection to form.

1                   THE WITNESS: It's the same kind  
2 of structure. She oversees the work of the  
3 communications people that are in the various  
4 businesses in the companies around the world.

5           Q.    BY MR. CRAWFORD: And so all the  
6 top people in communications at the companies  
7 around the world that have them report to her;  
8 right?

9           A.    Yes.

10          Q.    And that includes Teva USA's top  
11 communications person?

12          A.    Yes.

13          Q.    Next was Exhibit 22, Michael McClellan.  
14 I think we talked about him.

15                   And he is based in Israel, you said;  
16 right?

17          A.    Yes.

18          Q.    And he is Executive Vice President,  
19 Chief Financial Officer.

20                   Again, would he be in the same position  
21 as you and Ms. Iris -- Ms. Beck-Codner and Mr. Stark  
22 as far as being group leader for the financial  
23 officer department?

24          A.    Yes.

25                   MS. HILLYER: Objection to form.

1                   THE WITNESS: Yes. Financial people --  
2   the finance people around the world report  
3   professionally to him ultimately.

4           Q.    BY MR. CRAWFORD: And what are his  
5   responsibilities in that position?

6           A.    He is responsible for the -- for the  
7   oversight and management of the financial --  
8   the finance group activities within Teva.

9                   And he's also, as a TPI officer --  
10   he is a TPI officer, signing off on our financial  
11   statements. So he is responsible towards the  
12   market, him and the CEO, Kare Schultz, for the  
13   completeness and accuracy of our financial  
14   statements.

15          Q.    For TPI and the subsidiaries or just  
16   TPI?

17          A.    We -- based on US GAAP, US generally  
18   accepted accounting principles, the financial  
19   statements that we produce to the market are  
20   consolidated financial statements that have  
21   TPI and all of its subsidiaries' results  
22   consolidated.

23          Q.    Exhibit 23 is Brendan O'Grady.  
24                   You said he is a Teva USA employee  
25   and he's also a TPI officer; right?

1 A. Yes.

2 Q. And he's based out of where?

3 A. Out of the US.

4 Q. And what city?

5 MS. HILLYER: Objection to the extent  
6 it's beyond the scope.

7 THE WITNESS: I believe it's in  
8 Parsippany, New Jersey.

9 Q. BY MR. CRAWFORD: And he is Executive  
10 Vice President, North America Commercial.

11 What is North America Commercial?

12 A. Our commercial operations in the US  
13 and Canada.

14 Q. So who reports to him from Teva USA?

15 MS. HILLYER: Objection to the extent  
16 that's beyond the scope.

17 THE WITNESS: All of the commercial  
18 organization, sales, distribution, and supporting  
19 functions that support the commercial purchase.

20 Q. BY MR. CRAWFORD: Would that include  
21 marketing and sales?

22 A. Yes.

23 Q. He's had that position since November  
24 2017; correct?

25 A. Yes.

1 Q. Next is Dr. Hafrun Fridriksdottir.  
2 She is Executive Vice President, Global R & D.

3 Is that -- what is that position?  
4 What does she do there, her responsibilities?

5 A. She oversees our R & D operations  
6 around the world.

7 Q. And that would -- does Teva USA have  
8 an R & D department?

9 A. It has. But Dr. Fridriksdottir is  
10 not primarily engaged in that -- in managing  
11 that activity because there's a US manager  
12 for that activity. She has a -- what we call  
13 a global role, meaning she oversees the entire  
14 group of people engaged in R & D throughout the  
15 world.

16 Q. So the Teva USA person does report  
17 to her; correct?

18 A. Yes.

19 Q. And her over -- oversight includes  
20 Teva USA; right?

21 A. Yes.

22 Q. Next is Dr. Carlo de Notaristefani.  
23 And he is Executive Vice President, Global  
24 Operations.

25 What does he do in that position?

1           A.    He oversees our operation -- our  
2    manufacturing operations throughout the world.

3           Q.    And does that include in the US?

4           A.    There is a -- regional and country  
5    managers managing the sites in the US.  But  
6    they report professionally to him.

7           Q.    And who owns the sites in the US?

8                   MS. HILLYER:  Objection to the extent  
9    it's beyond the scope.

10                   THE WITNESS:  Teva USA and its  
11    subsidiaries.

12           Q.    BY MR. CRAWFORD:  Do you know which  
13    subsidiaries own it?

14           A.    I don't recall.  We have several sites.  
15    I don't recall which holds which.

16           Q.    Does TAPI own any of the sites?

17                   MS. HILLYER:  Objection to the extent  
18    that's beyond the scope.

19                   THE WITNESS:  I believe not.

20           Q.    BY MR. CRAWFORD:  Next is Nir Baron,  
21    Exhibit 26.  He is Senior Vice President, Chief  
22    Internal Auditor.

23                   What are his functions?

24           A.    Internal audit is the function that  
25    audits internally and sees that Teva operates --

1 the Teva subsidiaries operates according to the  
2 requirements, the guidelines, standard operating  
3 procedures that TPI, as the parent company, issues  
4 on various or limited matters.

5 Q. Okay. And that would include, you said,  
6 Teva subsidiaries.

7 That would include Teva USA; correct?

8 A. Yes.

9 Q. So who reports to him in Teva USA?

10 A. I don't recall their exact structure.  
11 So I don't know the names.

12 Q. But do you know how big his compliance  
13 department is at Teva Ltd?

14 MS. HILLYER: Objection to the extent  
15 it's beyond the scope --

16 THE WITNESS: No, I don't.

17 MS. HILLYER: -- and to form.

18 Q. BY MR. CRAWFORD: Do you know if Itai  
19 Rigbi works at Teva Ltd. under his leadership?

20 MS. HILLYER: Objection --

21 THE WITNESS: No, I don't know.

22 MS. HILLYER: -- to the extent it's  
23 beyond the scope.

24 Q. BY MR. CRAWFORD: Do you know Itai  
25 Rigbi?

1 THE COURT REPORTER: Wait.

2 MS. HILLYER: Hold on.

3 THE COURT REPORTER: You guys are  
4 talking at the same time.

5 MS. HILLYER: Objection to the extent  
6 it's beyond the scope.

7 Q. BY MR. CRAWFORD: Do you know Itai  
8 Rigbi?

9 THE COURT REPORTER: I don't have  
10 his answer.

11 MS. HILLYER: I don't think he answered --  
12 well, loudly enough to the last one.

13 THE WITNESS: So no, I don't know who  
14 Itai Rigbi is.

15 Q. BY MR. CRAWFORD: Next is Lori Queisser.  
16 She is Senior Vice President and Global Compliance  
17 Officer.

18 What's -- what are her responsibilities?

19 A. She's responsible for the activities we  
20 do to ensure compliance with our legal requirements  
21 in operating our business.

22 Q. And that would include Teva USA?

23 A. That includes Teva USA.

24 Q. And next is Sven Dethlefs, Executive  
25 Vice President, Global Marketing and Portfolio.

1                   What are -- what does his position  
2   entail?

3           A.    The Global Marketing and Portfolio  
4   is a very recent, new organization that is meant  
5   to address the potential for economic benefit  
6   from synchronizing the activities that we do  
7   across the world. We, as we said, are managed --  
8   the Teva group manages locally and regionally --  
9   locally and regionally.

10                   When Kare Schultz becomes -- became  
11   CEO, he thought there could be value in looking  
12   horizontally across regions to see if there are  
13   things done in one region or in one country that  
14   can be leveraged in other countries. And that's  
15   basically what Sven is doing.

16           Q.    Okay. And where is Sven based out of?

17           A.    In the US.

18           Q.    And how about Ms. Queisser, where is  
19   she based?

20           A.    In the US.

21           Q.    Nir Baron?

22           A.    In Israel.

23           Q.    Notaristefani?

24           A.    In the US.

25           Q.    And Fridriksdottir?

1 A. In the US.

2 Q. So she actually lives in the US and  
3 works out of the US office?

4 A. Yes.

5 Q. And do these TPI corporate officers,  
6 are there regular meetings of the officers that  
7 occur now?

8 A. Yes.

9 Q. And how are they scheduled? Or what --  
10 you know, what's their spacing and what are they  
11 about?

12 MS. HILLYER: Objection to form.

13 THE WITNESS: I -- they are -- I don't  
14 know the exact frequency. They're relatively  
15 frequent, meaning once a month at least, depending  
16 on the business and -- and the needs.

17 Q. BY MR. CRAWFORD: And are the meetings  
18 videoconference or in person or both?

19 MS. HILLYER: Objection to form and  
20 beyond the scope.

21 THE WITNESS: All of the above.

22 Q. BY MR. CRAWFORD: Okay. So, oftentimes,  
23 the TPI corporate officers who don't live in Israel  
24 travel for a meeting in Israel? Does that happen?

25 A. It happens.

1 MR. CRAWFORD: All right. Let's mark  
2 the next exhibit. Actually, let's mark the next  
3 three. Actually, just the next two.

4 (Exhibit 29, Exhibit 30, and Exhibit 31  
5 marked.)

6 Q. BY MR. CRAWFORD: Okay. We've marked  
7 Exhibits 29 to 31. I'm going to ask some questions  
8 about these. Let's go to Exhibit 29. And this  
9 is -- how do you pronounce his name?

10 A. Asaph Naaman.

11 Q. Okay. And he is Senior Vice President  
12 and CFO North America at Teva Pharmaceuticals.

13 What -- what does that mean?

14 MS. HILLYER: Objection to form.

15 THE WITNESS: He is a chief financial  
16 officer for Teva USA and our US business.

17 Q. BY MR. CRAWFORD: It says:

18 "At Teva Pharmaceuticals."

19 What Teva Pharmaceuticals?

20 A. As I explained in my answer regarding  
21 my own LinkedIn profile, LinkedIn has a limited  
22 set of company names. And if you want -- I want  
23 myself and Asaph to be associated in LinkedIn  
24 under the same group, the -- the choices are  
25 very limited.

1 Q. So is one of the choices, though,  
2 Teva Pharmaceutical Industries Ltd.?

3 A. No. That's why I chose Teva  
4 Pharmaceuticals. And I see Asaph has chosen  
5 as well.

6 Q. Can you customize it so it says  
7 "Teva Pharmaceutical Industries Ltd."?

8 MS. HILLYER: Objection. Beyond  
9 the scope.

10 THE WITNESS: I -- I haven't been  
11 to the site for a while. So I don't know.

12 Q. BY MR. CRAWFORD: Okay. You said  
13 he's -- he's with USA.

14 But he's Senior Vice President and  
15 CFO of North America; correct?

16 A. Yes.

17 Q. And that includes responsibility for  
18 Canada as well; right?

19 A. That includes oversight of Canada.

20 Q. And he's based in Philadelphia; correct?

21 MS. HILLYER: Objection. Beyond the  
22 scope.

23 THE WITNESS: Yes. I think he's now  
24 based in Parsippany or in --

25 Q. BY MR. CRAWFORD: Is he also an officer

1 at TPI?

2 A. No.

3 Q. Does he have any position with TPI?

4 A. No.

5 Q. Next is a Debra Barrett.

6 MS. HILLYER: Is this 30?

7 MR. CRAWFORD: Yeah, 30.

8 Q. BY MR. CRAWFORD: That's a LinkedIn  
9 page for her.

10 She is -- well, she's now not with  
11 Teva anymore; correct?

12 A. Yeah.

13 Q. Do you know Ms. Barrett?

14 A. Yes.

15 Q. Okay. And she indicates she was at  
16 Teva Pharmaceuticals, Senior Vice President,  
17 Global Government Affairs and Public Policy,  
18 from January 2006 to March 2018; correct?

19 MS. HILLYER: Object -- sorry.

20 Objection to form.

21 You're asking if her LinkedIn profile  
22 is correct?

23 Q. BY MR. CRAWFORD: Well, she had that  
24 position; is that correct?

25 MS. HILLYER: So same objection. You

1 said "Teva Pharmaceuticals."

2 THE WITNESS: Ms. Barrett was a Teva  
3 USA employee that served in a global role, meaning  
4 she was providing the government affairs services  
5 to the entire Teva group of companies. And the  
6 group of companies -- the various companies that  
7 benefited from that service paid for Teva -- paid  
8 Teva USA for that cost.

9 Q. BY MR. CRAWFORD: And so she's kind  
10 of like in your position and Mr. Stark's position  
11 in that she has global responsibilities for this  
12 area except for the fact that she is not a TPI  
13 officer but just a Teva USA officer; correct?

14 MS. HILLYER: Objection to form.

15 THE WITNESS: Not exactly.

16 Q. BY MR. CRAWFORD: Okay. What's --  
17 what's different between her position and your  
18 position other than the employer?

19 MS. HILLYER: Objection to form.

20 THE WITNESS: If we didn't have --  
21 if the Teva group could not gain access  
22 to Ms. Barrett's services in global -- in  
23 government affairs, we would need to go out  
24 and hire a third-party government affairs  
25 person to do the lobbying and the work that

1 she has done. This is why TPI and other group  
2 companies paid Teva USA for that service. She  
3 was a Teva USA employee but was benefiting other  
4 entities. And, therefore, the other entities  
5 paid for it.

6 My role, I ensure compliance of the  
7 subsidiaries. Because, if a subsidiary is not  
8 compliant with its tax require -- local tax laws,  
9 it has financial and potential other consequences  
10 to the subsidiary but also harms -- could harm  
11 the goodwill and good standing of TPI and of  
12 the group at a -- at large. And, therefore,  
13 the benefit is -- therefore, my cost is not  
14 billed to the various subsidiaries. Whereas,  
15 she provides a very distinct service. We have  
16 many people like that.

17 Q. BY MR. CRAWFORD: But do people report  
18 to her --

19 A. Yes.

20 Q. -- from the other entities that have  
21 government affairs people?

22 Right?

23 A. Yes.

24 Q. And -- okay. And then is she head  
25 of the -- who's head of the Teva USA government

1 public affairs department?

2 MS. HILLYER: Objection to the extent  
3 that's beyond the scope.

4 Q. BY MR. CRAWFORD: Is she also --

5 A. I don't know.

6 Q. -- the head of that?

7 Okay. What -- what is her job  
8 responsibilities in this position?

9 A. What were?

10 Q. Yeah. What are her responsibilities?

11 MS. HILLYER: Objection to the extent  
12 that's beyond the scope.

13 THE WITNESS: She was responsible for  
14 our global -- or government affairs activities  
15 around the world, in the US. But also she had  
16 a team in the US. But we have other teams in  
17 other places where we correspond with government  
18 on issues related to our business.

19 Q. BY MR. CRAWFORD: Does that include  
20 lobbying?

21 A. Yes, that includes lobbying. Included.  
22 I don't know today what we ...

23 Q. Okay. Well, let's turn to the next  
24 exhibit, which is 31. And this is a PowerPoint  
25 called:

1 "US Government Affairs Strategic  
2 Planning."

3 It's presented by Shannon Dzubin,  
4 Senior Director Public Policy North America.

5 So she -- is she basically, Ms. Dzubin,  
6 in charge of the North American public policy?

7 MS. HILLYER: Can you read that back?

8 MR. CRAWFORD: Okay.

9 MS. HILLYER: Or read it -- say that  
10 again.

11 MR. CRAWFORD: It's just identifying  
12 the document.

13 MS. HILLYER: Okay.

14 MR. CRAWFORD: "US Government Affairs  
15 Strategic Planning" is a PowerPoint by Shannon  
16 Dzubin, D-z-u-b-i-n.

17 MS. HILLYER: Okay. You're just saying  
18 what it is. Sorry. Go ahead.

19 Q. BY MR. CRAWFORD: Okay. So she's Senior  
20 Director of Public Policy North America; correct?

21 MS. HILLYER: Objection to the extent  
22 that's beyond the scope.

23 THE WITNESS: That's what it says here.  
24 I don't know her personally.

25 Q. BY MR. CRAWFORD: You don't. Okay.

1                   So if we could go to -- let's see here.

2       So go to page 2, if you can.

3           A.     Two?

4           Q.     Yeah. So this is -- it looks like  
5       an org chart with Ms. Barrett on top.

6                   Right?

7                   MS. HILLYER: This is Bates label  
8       477? Okay.

9                   MR. CRAWFORD: Yeah.

10          Q.     BY MR. CRAWFORD: So she has reporting  
11       to her a North American team, a growth markets  
12       team, a European team, and a global public  
13       policy team; correct?

14                  MS. HILLYER: Objection to the extent  
15       it's beyond the scope and there's no foundation  
16       for this document.

17                  THE WITNESS: That's what it says here.

18          Q.     BY MR. CRAWFORD: All right. And page  
19       3, it looks like a local execution.

20                  Does that mean by the four groups  
21       underneath her?

22                  MS. HILLYER: Same objection. It's  
23       beyond the scope. There's nothing about lobbying  
24       in any of your topics, or government affairs, for  
25       that matter. And to form. No -- no foundation

1 for this document.

2 THE WITNESS: This is what it says.

3 I am not familiar with the details of how global  
4 government affairs are -- were organized or are  
5 organized now. But I would say that this is not  
6 different than how our professional functions like  
7 tax are organized. Local execution, coordination  
8 from the top, and oversight from the global level.

9 Q. BY MR. CRAWFORD: Thank you. And then  
10 page 4 references:

11 "GPC Members."

12 What's GPC?

13 A. I don't know.

14 MS. HILLYER: Same objections.

15 MR. CRAWFORD: All right. Let's go  
16 to the next document. Actually, let's go to  
17 this one. Let's go to --

18 MS. HILLYER: Did you say 33 or 30 --  
19 32?

20 MR. CRAWFORD: Is it 32? I'm sorry.

21 (Exhibit 32 marked.)

22 Q. BY MR. CRAWFORD: Okay. We marked  
23 here -- first page is an excerpt from a 2012  
24 Form 20-F for Teva Pharmaceutical Industries  
25 Ltd. I want to look at the second document

1 here attached to it. It's the next page,

2 Teva\_MDL\_JD\_000839:

3 "Segment Reporting Memorandum Q1

4 2018."

5 MS. HILLYER: Sorry. Just to clarify

6 for the record, Mark, there's no -- did you put

7 two documents together that --

8 MR. CRAWFORD: Yes.

9 MS. HILLYER: The first one doesn't

10 have a Bates, but the rest do. So I'm --

11 MR. CRAWFORD: Right.

12 MS. HILLYER: I just want to make sure.

13 MR. CRAWFORD: That's right. It was --

14 it was excerpts from several. And I'm just going

15 to pay attention to the second document here. So --

16 MS. HILLYER: Okay. So objection to the

17 extent that you're taking documents potentially

18 out of context. I'm not sure I'm following what

19 you did. But go ahead.

20 And the highlighting is yours?

21 MR. CRAWFORD: That's our highlighting.

22 Yes.

23 Q. BY MR. CRAWFORD: So this is -- can

24 you tell me what this memorandum is?

25 A. (Examining.) That is our manual on

1     how we report, for financial reporting purposes,  
2     our segments -- our business segments.

3             Q.     All right. And if you look at -- on  
4     the top right corner, we inserted page numbers  
5     here. That's our numbers.

6             MS. HILLYER: That's why I was confused.  
7     Okay.

8             MR. CRAWFORD: It's not on the document.  
9     It's just simply a way to reference the document.  
10    So --

11            MS. HILLYER: And the last page is also  
12    not -- is a separate document.

13            MR. CRAWFORD: Right. Just rather than  
14    killing trees and having 200-page documents for  
15    one --

16            MS. HILLYER: Okay.

17            MR. CRAWFORD: -- little thing, we  
18    took excerpts, and we tried to shortcut it here.  
19    That's what this is.

20            Q.     BY MR. CRAWFORD: So I'm going to come  
21    back to this. But I want to pay attention right  
22    now to page 4.

23            MS. HILLYER: The last two pages.

24            Q.     BY MR. CRAWFORD: If you look at paragraph  
25    2, it says:

1 "Determination of Teva's Chief ...  
2 Decision Maker ('CODM')." (As read.)

3 Do you see that?

4 A. Uh-huh.

5 Q. Okay. All right. And then below that  
6 in 3 it says:

7 "In November 2017, Teva announced  
8 the new organizational structure which will  
9 be effective immediately, but will affect  
10 Teva financial reporting starting Q1, 2018."

11 What was the new organizational  
12 structure that was announced?

13 A. We have, I should say, re-aligned.  
14 Because this is not the first -- we -- Teva's  
15 management -- Teva group's management structure  
16 has changed several times over the course of  
17 my 13 and a half years in Teva. We have moved  
18 back and forth from a more regional view to a  
19 more global view and then back into regional.

20 Since 2017, we are back in regional  
21 overview. And, therefore, our segmentation  
22 for accounting purposes has changed. The new --  
23 the segments that we were referring to earlier  
24 in the -- in the financial statements, North  
25 America, Europe, and international markets,

1 are relatively recent, I think, from 2017,  
2 perhaps 2018 only.

3 Q. All right. So is it now moved more  
4 towards a global view?

5 A. No. It's now moved more to a regional  
6 view.

7 Q. And what does that mean?

8 A. It means that the decision maker in  
9 a stronger way is now the leader of the region.  
10 The CEO of the Teva group, CEO of TPI, obviously,  
11 oversees everything. But the emphasis has moved.  
12 And I should say moved back because we were there  
13 before -- I don't know -- something like 2012,  
14 '13, where we moved to a more globalized structure  
15 and then we moved back in terms of how we managed  
16 the business.

17 Q. Okay. Is this Mr. Kare Schultz that  
18 was the CEO who implemented this new structure?

19 A. Yes.

20 Q. And it does say what we read first:

21 "Determination of Teva's Chief Operating  
22 Decision Maker."

23 That is Mr. Schultz; correct? He is  
24 the CODM?

25 A. I believe he is. It's an accounting

1 definition. It's not anything else. It's an  
2 accounting definition of what is the CODM.

3 Q. All right. And the second paragraph  
4 of -- of No. 3, it says:

5 "The business will continue to be  
6 managed and orchestrated by Teva's CEO."

7 That's Mr. Schultz; right?

8 A. Yes.

9 Q. And he's the CEO of TPI; correct?

10 A. Yes.

11 Q. So he's managing and orchestrating  
12 all the Teva entities globally; correct?

13 MS. HILLYER: Objection to form.

14 THE WITNESS: He is managing and --  
15 well, the document shows the word "orchestrating."  
16 But he's definitely the manager of the Teva group  
17 of companies, so TPI.

18 Q. BY MR. CRAWFORD: And he -- according  
19 to this paragraph, he:

20 "Regularly reviews its results, is  
21 directly involved in assessing performance and  
22 making decisions on overall resource allocation,  
23 and ultimately responsible for the allocation  
24 of resources."

25 Is that an accurate statement?

1 A. Yes.

2 MS. HILLYER: Objection to form.

3 Q. BY MR. CRAWFORD: So that's Mr. Schultz  
4 who's performing all of those functions; right?

5 MS. HILLYER: Objection to form.

6 THE WITNESS: Yes, at the granularity  
7 that fits the size of the business.

8 Q. BY MR. CRAWFORD: And then paragraph 3  
9 [sic] says:

10 "The company's Chief Executive Officer" --  
11 That would be Mr. Schultz; correct?

12 A. Yes.

13 Q. (Reading.)

14 -- "was identified as the CODM."

15 So he is the CODM; right?

16 A. Yes.

17 Q. Okay. And he still is?

18 MS. HILLYER: Objection to the extent  
19 it's beyond the scope.

20 Q. BY MR. CRAWFORD: Do you want me to  
21 repeat the question?

22 He still is the CODM?

23 A. Yes.

24 Q. Okay. And "CODM" being the Chief  
25 Operating Decision Maker, that's Mr. Schultz;

1 right?

2 MS. HILLYER: Objection to form.

3 THE WITNESS: That's the definition.

4 Q. BY MR. CRAWFORD: And then go down  
5 to 5.2. It says:

6 "The operating results of the component  
7 are regularly reviewed by the entity's CODM to  
8 assess the performance of the individual component  
9 and make decisions about resources to be allocated"  
10 that -- "to that component." (As read.)

11 Under this system, that's Mr. Schultz;  
12 right?

13 MS. HILLYER: Objection to form.

14 THE WITNESS: Yes.

15 Q. BY MR. CRAWFORD: Okay. And who gave  
16 him this power?

17 MS. HILLYER: Objection to form and  
18 to the extent it's beyond the scope.

19 Q. BY MR. CRAWFORD: Was it the board  
20 of directors?

21 A. Yes.

22 Q. Okay. If you could look at page 7,  
23 up at the top right.

24 MS. HILLYER: So, Mark, to clarify,  
25 you -- the first page is not the first page

1 of this document.

2 MR. CRAWFORD: Right. We strung  
3 together --

4 MS. HILLYER: Okay.

5 MR. CRAWFORD: -- three documents,  
6 two with excerpts.

7 MS. HILLYER: Okay. So I'm just  
8 going to make a -- well, actually, it's four.  
9 Because the last two pages are two different  
10 documents.

11 MR. CRAWFORD: Sure.

12 MS. HILLYER: So one, two, three,  
13 four, it seems at least. So I'm going to  
14 object to the extent any of this is taken  
15 out of context out of the full document that  
16 the witness doesn't have a chance to review.

17 MR. CRAWFORD: Okay.

18 MR. CARTMELL: We can, if you want,  
19 give you the opportunity to provide you with  
20 all the complete documents of each and then --  
21 and then supplement the record with them if you  
22 think it's necessary or not.

23 MS. HILLYER: It's not so much the  
24 record. But, I mean, you're asking him about,  
25 you know, a line here, a line there. He hasn't

1     had a chance -- he doesn't have the full document.  
2     He doesn't know what it is. I don't even know  
3     what it is. I don't even have a cover page of  
4     what we're reading from. So I just want to put  
5     that objection on the record.

6                 MR. CRAWFORD: All right. But right  
7     now we're just looking at the Segment Reporting  
8     Memorandum. It's a full copy and he recognized  
9     it.

10                Q.     BY MR. CRAWFORD: Correct, Mr. Herman?

11                MS. HILLYER: I -- I don't think you  
12     established that.

13                Q.     BY MR. CRAWFORD: Okay. Is this a  
14     complete copy of the memorandum?

15                A.     No, that's not -- it's part of the  
16     memorandum. Yeah, it appears to be --

17                Q.     All right.

18                A.     -- a complete copy of the Segment  
19     Reporting Memorandum.

20                Q.     Actually, turn to page 8, please.  
21     If you look at -- I'm sorry. Go on back to  
22     page 7. It says in the second paragraph under  
23     identity -- "Identify the CODM":

24                        "The company's Chief Executive Officer  
25     was identified as the CODM."

1 Correct?

2 A. Yes.

3 Q. That's Mr. Schultz; correct?

4 A. Yes.

5 Q. It says:

6 "Starting Q1 2018, the CODM will  
7 review the financial information based on  
8 the new organizational structure described  
9 above."

10 Is that the current process?

11 A. Yes.

12 Q. Okay. And then at the bottom, it  
13 says -- the last four words or five words:

14 "Comparison of the actual results"  
15 versus "the LBE and AOP and additional key  
16 issues such as an update on the progress  
17 of the restructuring plan in the segment."  
18 (As read.)

19 Is that what Mr. Schultz reviews  
20 as well?

21 A. Yes.

22 Q. Okay. And then he also reviews  
23 the flash report and daily revenues; correct?

24 A. Of the segments, yes.

25 Q. And then right above 2, it says:

1                   "Decisions about Teva's overall  
2    resource allocation are made by the CODM  
3    based on the above information. Certain  
4    decisions may be made at lower management  
5    levels (such as vice presidents, regional  
6    CEOs, et cetera) where more detailed  
7    disaggregated information is reviewed.  
8    However, the CODM is involved in assessing  
9    performance and making decisions on overall  
10   resource allocation."

11                   Is that a correct --

12           A.    That's a correct --

13           Q.    -- statement?

14                   Okay. So when you were saying it's  
15   more regional, did you mean that -- that these  
16   more granular functions are looked at by lower  
17   management?

18           A.    Yes.

19           Q.    But overall responsibility or --  
20   or -- or decision-making is done by Mr. Schultz;  
21   correct?

22                   MS. HILLYER: Objection to form.

23                   THE WITNESS: The overall resource  
24   allocation is controlled by the CODM, by the --  
25   by the CEO.

1 Q. BY MR. CRAWFORD: And then below that  
2 is -- is a chart that shows the basic reporting  
3 structure up to Mr. Schultz; correct?

4 A. Yes.

5 Q. And then below that, it talks about  
6 defining an operating segment as a component  
7 of a public entity.

8 What's an operating segment?

9 A. It's an accounting term. And it's  
10 defined earlier in the document, what needs  
11 to be -- what needs to exist in order for a  
12 segment to be broken from the consolidated  
13 numbers. Yeah, it's in the Executive Summary  
14 in No. 5. You can see a high-level description  
15 of what it takes a business to become a segment  
16 that is reported separately from the rest.

17 MR. CRAWFORD: I'm going to mark  
18 Exhibit 33. And I just want to ask a brief  
19 question about this.

20 (Exhibit 33 marked.)

21 Q. BY MR. CRAWFORD: I'll hand it to you.  
22 But this is the board of directors for Teva Ltd.,  
23 I believe, taken from the website. I just want  
24 you to confirm that.

25 Is that the current board?

1 A. (Examining.)

2 MS. HILLYER: This is 33?

3 MR. CRAWFORD: Yeah.

4 THE WITNESS: I believe it is.

5 Q. BY MR. CRAWFORD: And we're going to  
6 look at 34 just very briefly.

7 A. Just to verify, because I do have the  
8 current names, make sure that the website matches  
9 what I know, the subsidiaries. Okay. So I'll  
10 just count them. One, two, three, four, five,  
11 six, seven, eight, nine, ten, eleven.

12 Yeah. Yes, it appears to be the  
13 current -- the updated current board.

14 MR. CRAWFORD: All right. I'm going  
15 to mark the next one.

16 (Exhibit 34 marked.)

17 Q. BY MR. CRAWFORD: This is also taken  
18 from the website. It's the committees of the  
19 board. And this lists the Audit Committee, the  
20 Human Resources and Compensation Committee, the  
21 Corporate Governance and Nominating Committee,  
22 the Finance and Investment Committee, Compliance  
23 Committee, Science and Technology Committee.

24 Are these all committees of the board?

25 A. Let me verify.

1 Q. All right.

2 A. (Examining.) Yeah. This appears  
3 to be the current -- an accurate list of the  
4 current committees of the board.

5 Q. Okay. And you were reviewing one  
6 of your documents; right?

7 A. Yes.

8 Q. And what's the title of the document?

9 A. It's the Teva board membership. It  
10 has the board members, their years of service,  
11 and what committees they served on.

12 Q. Okay. So if we looked at that document  
13 which we have here, that would pretty much account  
14 for all the -- all the committees that -- that  
15 the board has?

16 A. Yes, even more than what's current.  
17 This is the -- Exhibit 34 is the current --  
18 the current committees. And there are some  
19 that dis -- that were discontinued. So they're  
20 here in my document but not in this document.

21 Q. Great. Thank you.

22 MR. CRAWFORD: I'm kind of at a natural  
23 breaking point. So can we take a lunch break  
24 now?

25 MS. HILLYER: Sure.

1 THE VIDEOGRAPHER: The time -- the  
2 time is 12:04 p.m. We are now off the record.

3 (Recess from 12:04 p.m. to 1:11 p.m.)

4 THE VIDEOGRAPHER: The time is 1:11 p.m.  
5 We are now on the record.

6 (Exhibit 35 and Exhibit 36 marked.)

7 MR. CRAWFORD: Okay. It's after the  
8 lunch break. And we've marked the materials  
9 that Mr. Herman brought with him.

10 Q. BY MR. CRAWFORD: And Exhibit 35,  
11 if you could pull that out. That is the Teva  
12 Pharmaceutical corp -- TPM corporate histories.  
13 I think you've already talked about that. So  
14 we've marked that as 35.

15 This is the document you brought with  
16 you; right?

17 A. Yes.

18 Q. And then 36 is:

19 "Summary of Certain Teva Subsidiaries  
20 (Active as of April 2019)."

21 You brought this document with you;  
22 correct?

23 A. Yes.

24 Q. And what is this document?

25 A. It's a list of main Teva subsidiaries

1 in the Teva group as of April 2019 and their  
2 primary activities.

3 Q. What does that mean by "primary  
4 activities"?

5 A. The primary business endeavors they  
6 are engaged in. Some of them are commercial.  
7 Some of them are manufacturing or any combination.  
8 Financial, marketing. Some of them are simply  
9 holding companies with no other business.

10 Q. All right. And then if you scroll  
11 on, there's:

12 "Teva Board Membership."

13 Or:

14 "Teva Board Membership."

15 These are the board members for the  
16 years indicated; correct?

17 A. Yes.

18 Q. And then it lists their committees;  
19 correct?

20 A. And the committees they serve on.

21 Yes.

22 Q. And the years; right?

23 A. (Witness nods head in the affirmative.)

24 Q. The years too?

25 A. And -- and the years they served on

1     these committees.

2           Q.     Right.  And then it says:

3                   "Teva Board Ad Hoc Committees."

4                   What are ad hoc committees?

5           A.     The board has permanent committees.

6     They change -- they may change a little bit  
7     over time, but permanent committees that meet  
8     regularly.  And then the board forms ad hoc  
9     committees for specific issues or topics that  
10    need to be addressed.

11          Q.     Is there an ad hoc committee for  
12    opioid-related issues?  Was there ever one?

13                   MS. HILLYER:  Sorry.

14                   THE WITNESS:  Not that I know of.

15          Q.     BY MR. CRAWFORD:  All right.  Then  
16    scrolling along, it says:

17                   "Produced Global Policies."

18                   What is this chart?

19          A.     On certain things, TPI, as the global  
20    parent of the group, issues global policies that  
21    it requires its subsidiaries to adhere to.  And  
22    this is a list of the global policies that we  
23    produced.

24          Q.     And who prepares these and -- and  
25    requires them?  Is it the board or the officers

1 of Teva -- Teva Ltd.?

2 MS. HILLYER: Objection to form and  
3 to the extent it's beyond the scope.

4 THE WITNESS: It varies depending on  
5 the topic, usually prepared by the professional  
6 function that is responsible for the subject  
7 matter.

8 Q. BY MR. CRAWFORD: And by "professional  
9 function," you mean function at Teva or TPI or  
10 global?

11 A. Function at the global. So compliance  
12 would be responsible for compliance policies.

13 Q. Right. If there's a tax policy --  
14 I'm not saying there is -- you'd be --

15 A. Yes.

16 Q. -- in charge of that?

17 Okay. And then the year's there.

18 Is this the year it went into effect?  
19 Or what -- what does that mean? Or date?

20 A. It's -- I believe it's the most recent  
21 version of the policy. They do get updated.

22 Q. And this is the -- these are current  
23 policies in effect right now?

24 A. Yes.

25 Q. And these are applicable to the US

1 subs as well; correct?

2 A. These are -- these are -- yes, to the  
3 US subs as any other subs.

4 Q. And globally; correct?

5 A. "Globally" meaning all subsidiaries  
6 of --

7 Q. Right.

8 A. -- TPI.

9 Q. Then the next page is:  
10 "Teva Global Operations Departments."  
11 What are these?

12 A. As part of our organizational structure,  
13 our global operations are overseen in a centralized  
14 global manner. So Carlo de Notaristefani, who  
15 is global head of Global Operations, TGO, Teva  
16 Global Operations, sees the global picture. He  
17 has reporting to him regional managers that oversee  
18 the more daily work of the operating sites, the  
19 manufacturing sites in the regions. And these  
20 are five centers of excellence, centers of topical  
21 knowledge that -- that operate as a service to  
22 the manufacturing sites.

23 Q. By "manufacturing sites," you mean --  
24 what do you mean by that?

25 A. Plants that manufacture our -- the

1     Teva products.

2           Q.     So this is just for manufacturer  
3     sites? Or does it apply to kind of the regional  
4     headquarters?

5           MS. HILLYER: Objection to form.

6           THE WITNESS: This is -- these are  
7     centers of excellence that relate to our  
8     manufacturing.

9           Q.     BY MR. CRAWFORD: And would this --  
10    these centers supply services to the various  
11    subsidiaries?

12                   Is that correct?

13           A.     Yes.

14           Q.     And that would include the US subs;  
15    right?

16           A.     That includes the US subs. Yes.

17           Q.     And Global Supply Chain, where is  
18    that based out of?

19           A.     The present head of Global Supply  
20    Chain sits in the US --

21           Q.     And who is that?

22           A.     -- is a TUSA employee.

23           MS. HILLYER: Objection to the extent  
24    it's beyond the scope.

25           THE WITNESS: His name is Dan Huey,

1 H-u-e-y.

2 Q. BY MR. CRAWFORD: And who employs him?

3 A. He's an employee of Teva USA.

4 Q. How about Global Procurement, who heads  
5 that? And where is that based?

6 A. Global Procurement is led by Natasha  
7 Vidmar, V-i-d-m-a-r.

8 She resides in the Netherlands and is  
9 employed by Teva -- Teva BV -- Teva Pharmaceutical  
10 Europe BV.

11 Q. And what is Global Supply Chain? What  
12 is that? What do you call them? Functions or --  
13 or services? What do you call them?

14 A. Global Supply Chain oversees the  
15 flow of products from raw materials to active  
16 pharmaceutical ingredients. Teva is vertically  
17 integrated. We manufacture our own -- not all  
18 of our raw materials. But some of our raw materials  
19 we manufacture in-house. This is what we referred  
20 to earlier as Teva API or companies that make API.

21 Supply Chain is responsible for the flow  
22 of raw materials to API, API to the manufacturers  
23 that manufacture finished goods, and then from  
24 the manufacturers to the markets.

25 Q. And that global supply is run out of

1 the US on a global basis; correct?

2 A. The global oversight is in the U --  
3 currently resides in the US. The formal --  
4 the former head of Global Supply Chain was  
5 based in Switzerland. They don't -- they --  
6 they have only -- let's put it this way.

7 They're not engaged in the US business  
8 on a daily basis. They have a global role. They  
9 oversee the entire -- the group picture. They  
10 have a regional manager for the Americas. They  
11 have a regional manager for Europe, et cetera.  
12 So they're structured just as every other  
13 professional unit that we've been discussing.

14 Q. "They" meaning the global one?

15 A. The Global Supply Chain.

16 Q. Okay. And then the -- the kind of  
17 local ones or regional ones, do they -- do they  
18 get direction from the Global Supply Chain?  
19 Or do they get services? What are they getting  
20 from them?

21 A. They get -- professionally, they are  
22 reporting to them, to the -- to the structure  
23 that is Global Supply Chain. So the regional  
24 supply chain leader for the Americas reports  
25 to the Global Supply Chain manager.

1 Q. And regional, the Americas, that's  
2 US and Canada; right?

3 A. Yes.

4 Q. Global Procurement, you mentioned  
5 that was run by someone out of the Netherlands;  
6 right?

7 A. Yes.

8 Q. And what is Global Procurement?

9 A. The organization of Procurement handles  
10 the procurement of materials and services from  
11 third parties.

12 The -- the economic idea behind Global  
13 Procurement is that an organization oversees all  
14 of the procurements done by the various companies.  
15 And so that, if there's one supplier that supplies  
16 three or four different Teva companies, we can  
17 combine forces and negotiate together a better  
18 price.

19 Q. And then Environmental, Health & Safety,  
20 does that pertain to internal issues?

21 MS. HILLYER: Objection to form.

22 THE WITNESS: EHS provides advisory  
23 services on these topics to the manufacturing  
24 sites.

25 Q. BY MR. CRAWFORD: And is it -- what

1 does the safety pertain to?

2 A. Taking safety measures to reduce the  
3 potential for damage to the employees --

4 Q. Right.

5 A. -- and similar stuff. I'm not an expert  
6 on safety.

7 Q. And who runs it and where is it based  
8 out of?

9 A. EHS is run by Peter Tachner,  
10 T-a-c-h-n-e-r. I'm trying to remember where  
11 he's based. I'm not sure. He may be based  
12 in Europe.

13 Q. All right. And then Strategy, OPEX,  
14 and MS & T, what's that?

15 A. I don't recall what MS & T is.

16 OPEX is a method by which manufacturing  
17 sites reviews its operations, its processes, and  
18 improves them to get more efficient and more  
19 effective. The methodology is these people --  
20 the OPEX people come to the sites -- to the  
21 local sites and help the sites run through  
22 that methodology in order to improve their  
23 operations -- the local sites' operations.

24 Q. So OPEX has a staff, a global staff  
25 that will work globally to help the regional

1 entities?

2 A. It has --

3 MS. HILLYER: Objection to form.

4 THE WITNESS: There are OPEX people  
5 in -- that help the regions. Yes.

6 Q. BY MR. CRAWFORD: Okay. And each of  
7 these departments have a staff that can fulfill  
8 the functions; right?

9 A. Each --

10 MS. HILLYER: Objection to form.

11 THE WITNESS: Each of these departments  
12 have a staff that can fulfill. Yes.

13 Q. BY MR. CRAWFORD: And is the staff  
14 generally located where the head of it is? Or  
15 are they all over the world?

16 A. They are all over the world. It depends  
17 on proficiency and talent and --

18 Q. And -- and they could work for any number  
19 of Teva subsidiaries, not just one; right?

20 A. They are working -- they are involved  
21 with all of the subsidiaries that are involved  
22 in manufacturing. And the subsidiaries pay for  
23 these services.

24 Q. "Global Quality," what's that?

25 A. Global Quality is the organization

1     that sets the standards on how manufacturing  
2     sites do quality tests, quality checks, et cetera.  
3     So it sets standards. It sets procedures that  
4     then the local -- the local manufacturing sites  
5     exercise, do in order to ensure that Teva has --  
6     as a group, has the highest standards of quality  
7     that are required in the industry.

8           Q.     And who's heading that up and where?

9           A.     Eric Drape. Eric Drape. He's in Europe.  
10    Whether France or the Netherlands escapes me,  
11    but he's in Europe --

12          Q.     Okay.

13          A.     -- based in Europe.

14          Q.     And then the next page, "Historic TEC  
15    Committees" -- what's TEC again?

16          A.     TEC.

17          Q.     What is that?

18          A.     TEC is Teva Executive Committee. This  
19    is the same body as executive management or the  
20    Teva officers that we were looking -- the pictures  
21    that we saw earlier.

22          Q.     Okay. So that's -- the pictures from  
23    the website, that's the Executive Committee,  
24    those officers?

25          A.     Yes.

1 Q. All right. Who selects the committee  
2 members?

3 MS. HILLYER: Objection to the extent  
4 that's beyond the scope.

5 THE WITNESS: I don't know how they  
6 manage internally their meetings.

7 Q. BY MR. CRAWFORD: No. But, I mean,  
8 who -- who appoints them to the Executive  
9 Committee?

10 A. I don't know. It's between them  
11 in their meetings.

12 Q. Okay. Okay. I'm trying to understand.  
13 So there's an Executive Committee at  
14 Teva; right?

15 A. Yes.

16 Q. And that committee right now are the  
17 people from the website; right?

18 A. Yes.

19 Q. And then they have further committees  
20 that they create? Is that what this is?

21 A. Yes. They form themselves -- similar  
22 to the board, they have topical, specific committees  
23 that they form from time to time.

24 Q. And -- and the board approves those  
25 committees?

1 MS. HILLYER: Objection to the extent --

2 THE WITNESS: I'm not sure.

3 MS. HILLYER: -- it's beyond the scope.

4 Q. BY MR. CRAWFORD: But they bring it to  
5 the board --

6 MS. HILLYER: Same.

7 Q. BY MR. CRAWFORD: -- you said?

8 A. I don't know. No, I said the board  
9 has similar --

10 Q. Oh, I see.

11 A. The board operates similarly with a  
12 full board, but then topical, specific committees.

13 Q. Okay.

14 A. Okay.

15 Q. My question wasn't going to how did  
16 they come up with the sub-committees.

17 How -- how do they become a member  
18 of the Executive Committee?

19 A. Oh. That's a very different question.

20 Q. Yeah.

21 A. They are appointed -- appointed by  
22 the CEO, I believe. Yeah. They require board  
23 approval, TPI board approval.

24 Q. The CEO selects them and then gets  
25 board approval of their selection?

1 A. Yeah.

2 Q. So what are -- these committees are  
3 just ones that exist -- currently exist or exist  
4 only in the past?

5 A. These are committees that exist --  
6 that existed over the time of the relevant time  
7 period. I don't know which of them currently  
8 exist.

9 Q. And these committees come up with --  
10 I mean, what's the purpose of the committees,  
11 the -- the TEC committees?

12 MS. HILLYER: Objection to the extent  
13 that's beyond the scope.

14 THE WITNESS: If we take the Operations  
15 Committee, then Operations Committee defines mid  
16 and long-term global commercial priorities within  
17 supply chain, manufacturing, and align R & D and  
18 operations with the market -- with the markets  
19 as to what -- what products we manufacture and  
20 Teva, the group, will manufacture and sell.

21 Q. BY MR. CRAWFORD: So, ultimately, the  
22 committees are working to effectuate policy and  
23 procedures for the entire global operation?

24 MS. HILLYER: Objection to form.

25 THE WITNESS: Policy and procedures --

1 I'm not sure I would define it as such. But being  
2 the top executive function of the group, the CEO  
3 and the TEC are the ones who determine within our --  
4 you know, it's very high-level decisions that's not  
5 granular in any way. But they determine resource  
6 allocation and strategic direction. It is then  
7 cascaded. And mainly the markets take this very  
8 general direction and translate it into their  
9 business plans.

10 Q. BY MR. CRAWFORD: And so allocation  
11 resources, that was, I think we read, ultimately  
12 the -- in the abilities of the CEO of the company;  
13 right?

14 A. Yes.

15 Q. Okay.

16 (Court reporter clarification.)

17 MR. CRAWFORD: "Abilities."

18 (Exhibit 37 marked.)

19 Q. BY MR. CRAWFORD: Okay. Let's go  
20 to the next exhibit, 37. This is the:

21 "Guidelines for Composition and  
22 Governance of Subsidiary Boards."

23 Can you explain what these guidelines  
24 are?

25 A. (Examining.) Yes. As I mentioned,

1     Teva is a group of legal entities, more than  
2     400 legal entities. They are relatively  
3     independent in their operations.

4             In order for the group to ensure that  
5     they are operating within the parameters, they  
6     are not breaching laws, they are not engaging  
7     in activities that could be harmful to the  
8     group and to TPI as the traded company, TPI  
9     sets guidelines to who sits on the boards of  
10    the subsidiaries and what type of transactions  
11    need to be approved by the respective boards of  
12    the subsidiaries and what decisions need to be  
13    elevated up the chain to the holding companies  
14    all the way up to the -- TPI, the ultimate parent.

15            Q.    So if you look at the composition of  
16    boards, it looks like at least the first-tier  
17    and second-tier boards must have a TEC member  
18    on the board; right?

19            A.    Right.

20            Q.    So first tier would be, for example,  
21    USA -- Teva USA would be a first-tier subsidiary;  
22    correct?

23            A.    Yes.

24            Q.    And so they have to have at least one  
25    Executive Committee member on their board; right?

1 A. Yes.

2 Q. All right. That's all I have on that  
3 one.

4 MS. HILLYER: And, Mark, just to clarify,  
5 we produced 37. I'm going to try to get the Bates  
6 numbers. We just didn't have it on this document.

7 MR. CRAWFORD: Okay.

8 MR. MAIER: I'll -- I'll find it.

9 MS. HILLYER: So just so you -- for  
10 the record --

11 MR. CRAWFORD: Thank you.

12 MS. HILLYER: -- it's the same document.

13 (Exhibit 38 marked.)

14 MR. CRAWFORD: And then Exhibit 37  
15 [sic], these are just some more of the org  
16 charts we've already --

17 MS. HILLYER: 38?

18 THE WITNESS: 38?

19 MR. CRAWFORD: 38. Yeah.

20 THE WITNESS: Yes.

21 Q. BY MR. CRAWFORD: And then if you look  
22 at the 2019 -- April 17, 2019, is that the current  
23 structure of TPI and its -- its family?

24 A. (Examining.) I believe there are  
25 no material changes. We do have companies in

1 liquidation, companies in process of merging.  
2 So there may be minor changes. But this is  
3 generally true.

4 MR. CRAWFORD: Mark the next exhibit,  
5 which would be 39.

6 (Exhibit 39 marked.)

7 Q. BY MR. CRAWFORD: Now, this might be  
8 up your alley.

9 These are the ledgers that you said  
10 you pulled together; is that right?

11 MR. CRAWFORD: Sorry.

12 MS. HILLYER: Okay.

13 THE WITNESS: Thanks. Yeah. Okay.

14 MR. CRAWFORD: Yeah. Sorry about that.

15 Oh, wait. Can you blow that up on the  
16 screen?

17 MR. HONE: Yeah.

18 MR. CRAWFORD: Why don't you blow up  
19 half of -- the left half. You can look up here.

20 MS. HILLYER: So this is 39?

21 MR. CRAWFORD: Yeah.

22 Q. BY MR. CRAWFORD: So the first page is:

23 "Sample Page from GL File 6243."

24 I just want to understand what these  
25 categories are and some -- have some questions

1     about their -- further questions about them.

2                 Looks like the first category is --

3                 MS. HILLYER: Sorry, Mark. Before  
4     you go further, what is "GL File 6243"? Is  
5     that your nomenclature or ours?

6                 MR. CRAWFORD: That's on here. Sorry.

7                 MS. HILLYER: I know. But was that on  
8     the document?

9                 MR. CRAWFORD: Oh.

10                MS. HILLYER: Is that, like, a file  
11     name? Is that a plaintiffs' file name?

12                MR. CRAWFORD: That's a really good  
13     question. This must be a sample page. That  
14     must be our writing up there. So ...

15                MS. HILLYER: Because the next one  
16     is a different file.

17                MR. CRAWFORD: Yeah.

18                MS. HILLYER: So I just don't know  
19     if those are --

20                MR. CRAWFORD: It probably was  
21     pulled as an excerpt from one of the native  
22     file spreadsheets to be a sample so we can  
23     go through the categories here.

24                MS. HILLYER: Okay. So these are  
25     excerpted from the documents we produced?

1 MR. CRAWFORD: Right. I think so.

2 MS. HILLYER: Okay. So just -- I'll  
3 make an objection on the record, to the extent  
4 it's not the full document, as to context.

5 MR. CRAWFORD: Okay.

6 MS. HILLYER: But go ahead. And  
7 they're two different documents in the exhibit.

8 Q. BY MR. CRAWFORD: Okay. Under  
9 "Description" there's a -- there's a date  
10 and then "TBU."

11 What does that mean under "Description"?

12 MS. HILLYER: Objection to the extent  
13 it's beyond the scope.

14 THE WITNESS: (Examining.) Yeah. I --  
15 I'm not sure what "TBU" means.

16 Q. BY MR. CRAWFORD: So is that the date  
17 range for the -- for the service for the invoice?

18 MS. HILLYER: Same objection.

19 THE WITNESS: I would expect it to be  
20 since this is TUSA or T -- Teva Biopharmaceuticals  
21 USA. It doesn't say who's the payor. But I think  
22 we only produced TPI payables from the US. So  
23 I assume this is TPI owing various US companies  
24 for various -- it's usually services. We don't --  
25 TPI does not buy from the US goods. It only buys

1 services. So this is probably services.

2 Q. BY MR. CRAWFORD: So TPI only buys  
3 services from the subsidiaries?

4 Is that what you're saying?

5 MS. HILLYER: Objection to form.

6 THE WITNESS: No.

7 Q. BY MR. CRAWFORD: Okay.

8 A. What I'm saying is, from Teva USA, TPI  
9 does not buy goods, only services.

10 Q. Okay. So Teva USA only sells services  
11 to TPI; is that right?

12 A. Yes.

13 Q. Did you produce ledgers showing money  
14 flowing the other way, from TPI back to the --  
15 the subs?

16 A. This is actually money flowing -- this  
17 is an obligation -- this page is an obligation  
18 of TPI to US subsidiaries.

19 Q. Okay.

20 A. We did produce a file that shows the  
21 other way around. And --

22 Q. Got it.

23 A. -- there you will see mostly products.

24 Q. Got it. Okay.

25 The invoice date, if you look at that

1 column, is different from the accounting date  
2 per line item.

3 Is there a reason for that?

4 MS. HILLYER: Objection to the extent  
5 it's beyond the scope.

6 THE WITNESS: No. I don't know what  
7 this means, the dates.

8 Q. BY MR. CRAWFORD: Who is the person  
9 that would be most knowledgeable in your company  
10 about these ledgers and explaining them?

11 A. These would be our accounting people,  
12 either the Teva USA accounting people or TPI  
13 accounting people. These are the two sides  
14 that book these entries.

15 Q. Is there someone at Teva USA you can  
16 think of that would know about these ledgers?

17 A. These ledgers were produced from TPI  
18 books. And, therefore, if you need someone  
19 to answer on these entries, you need a TPI  
20 accountant.

21 Q. Does Teva USA have its own ledgers  
22 showing --

23 A. Yes.

24 Q. -- transactions?

25 A. Yes.

1 Q. Okay.

2 A. They should show the exact -- the  
3 reverse image of this. So payable of TPI to  
4 TUSA would be on TUSA's books as a receivable  
5 from TPI and vice versa. So they would show  
6 the reverse image of these entries.

7 Q. Are the two systems coordinated?  
8 Are they -- they shared at all with regard  
9 to the data in here?

10 MS. HILLYER: Objection to form.

11 THE WITNESS: They are coordinated  
12 in a sense that -- they don't -- they're not  
13 the same system, unfortunately. It's very  
14 difficult for us because they're even not in  
15 the same operating system. Okay. That's not --  
16 to get very technical, they're on different  
17 instances of Oracle. So the records cannot  
18 be matched automatically.

19 But there's a process through which  
20 every quarter and every year the accounting --  
21 the accounting team in TPI ensures that what  
22 they have on their books coordinates with what  
23 the relevant subsidiaries have on their books  
24 because we're obliged to keep full and accurate  
25 books and records. Each of our subsidiaries is

1 required to do that. So TUSA has their own. We  
2 have our own.

3 Q. BY MR. CRAWFORD: And then the last two  
4 columns, "Liability Account" and "Charge Account,"  
5 what are those numbers for these columns?

6 MS. HILLYER: Objection to the extent  
7 it's beyond the scope.

8 THE WITNESS: These are the tagging  
9 or the -- the coding of the exact accounts in  
10 our P & L -- in our chart of accounts -- to  
11 which these relate.

12 Q. BY MR. CRAWFORD: So the charge account  
13 would be the account which charges that -- the --  
14 that account for the service; right?

15 MS. HILLYER: Objection to form.

16 Q. BY MR. CRAWFORD: So the money's taken  
17 out of there, so to speak?

18 A. It goes more to the -- what we call  
19 P & L geography, the profit and loss report,  
20 where -- in which line these entries should  
21 show up.

22 Q. Okay. Is there a key or something  
23 which will help us identify what these numbers  
24 are that you're aware of?

25 A. We can produce a key, our chart of

1 accounts. It's fairly long and detailed. It's  
2 fairly long and detailed --

3 Q. Okay.

4 A. -- as you can see from the amount of  
5 numbers there.

6 Q. All right. Let's go to the next page.

7 So this is a bunch of -- again, a sample  
8 page that we extracted. The customer name is Teva  
9 Pharmaceuticals USA Inc.

10 That's the entity that's purchasing the  
11 services, so to speak?

12 MS. HILLYER: Objection to form.

13 THE WITNESS: That's the entity that's  
14 purchasing what's in -- what these invoices or  
15 journal entries relate to. Some of it is products.  
16 Some of it is services.

17 The description is -- some -- some --  
18 some of the descriptions are more telling than  
19 others. So some of them would say "Copaxone,"  
20 which is a product. Some of them only accounting  
21 people probably can understand. Some of them say  
22 "Insurance," as in TPI undertakes insurance for  
23 the entire group of companies and then allocates  
24 the cost of insurance to each legal entity.

25 Q. BY MR. CRAWFORD: What types of insurance

1 do they buy for the group?

2 MS. HILLYER: Objection to the extent  
3 it's beyond the scope.

4 THE WITNESS: I'm not sure about the  
5 full list, but directors and officers insurance,  
6 property insurance, product liability insurance.  
7 And then the premium is allocated and re-charged  
8 to the relevant entities based on several factors.

9 Q. BY MR. CRAWFORD: Is there an insurance  
10 department or group at TPI that performs this  
11 function for the family?

12 MS. HILLYER: Objection to the extent  
13 it's beyond the scope.

14 THE WITNESS: Yes. There is a insurance  
15 team that handles the insurance.

16 Q. BY MR. CRAWFORD: Who's head of that  
17 right now?

18 MS. HILLYER: Objection to the extent  
19 it's beyond the scope.

20 THE WITNESS: Limor Sagiv.

21 Q. BY MR. CRAWFORD: Where is he located?

22 A. She's located in --

23 Q. Oh.

24 A. That's okay. That's okay.

25 Q. All right.

1 A. She's located in -- in Israel.

2 Q. Is she -- is she an employee of Teva  
3 Ltd.?

4 A. She's an employee of TPI.

5 Q. And -- so just some of these categories --  
6 five over from the left, "Customer\_Class\_CO DE" --  
7 what does that mean?

8 MS. HILLYER: Can you -- can you blow  
9 that up? Yeah. And then, Doron, you can look  
10 here. (Indicating.)

11 THE WITNESS: Yeah.

12 MS. HILLYER: Objection to the extent  
13 it's beyond the scope.

14 THE WITNESS: Customer classification  
15 code. "IC" is "inter-company," as opposed to  
16 third party.

17 Q. BY MR. CRAWFORD: And next one over,  
18 "Invoice Date" -- "Description\_First\_Line," what  
19 is that?

20 MS. HILLYER: Same objection.

21 THE WITNESS: What --

22 Q. BY MR. CRAWFORD: You have to move over --

23 A. It's easier here. Okay.

24 Q. I'm going from left to right.

25 MS. HILLYER: It's the American way.

1 MR. CRAWFORD: That's right.

2 THE WITNESS: Yeah. The invoice that  
3 this journal entry documents may have a longer  
4 text in it. The bookkeeper that puts the journal  
5 entry in only puts the first line of text. So  
6 to the extent the invoice itself explains more  
7 about what this charge is about, you cannot see  
8 it from the journal entry. The journal entry  
9 only has the first line.

10 Q. BY MR. CRAWFORD: How do you, then,  
11 find out what the service was for if you were  
12 going to try to look into this?

13 MS. HILLYER: Objection to the extent  
14 that's beyond the scope.

15 THE WITNESS: To -- if you are an  
16 accountant with Teva accounting, TPI accounting,  
17 or TUSA accounting, the long list of numbers and  
18 the account will tell you what type of service  
19 this was, because this is how it's coded.

20 If you're unfamiliar with the 16-  
21 or 20-digit coding, you will have to go to the  
22 invoice. The invoice will always explain what  
23 are the services, if it's a service, what is  
24 the period to which the invoice refers. If it's  
25 a product, then what products, what quantities,

1     what dosages, et cetera.

2           Q.     BY MR. CRAWFORD:   And is the number  
3     here in the column -- is it the last number like  
4     6005379, the first one?

5           MS. HILLYER:   You can look on the screen  
6     too.

7           THE WITNESS:   Yeah, I don't know what  
8     this refers to.

9           Q.     BY MR. CRAWFORD:   But you just -- the  
10    data is there somewhere where you can track down  
11    that invoice?

12          A.     You can track the invoice --

13          Q.     That's the invoice number -- right? --  
14    on the left?

15          A.     Where is the invoice number?

16          Q.     The second line to the left -- from  
17    the left.

18          A.     The --

19          MS. HILLYER:   He --

20          THE WITNESS:   I don't know.   Could be.  
21    I'm not sure.   The 6005379 could be the --

22          Q.     BY MR. CRAWFORD:   Okay.

23          A.     -- corresponding invoice number.   I'm  
24    not sure.

25          Q.     Well, there's a column called "Invoice

1     Number."    So it would probably be there.    It's  
2     on the other side, I think, second from the left.

3                MS. HILLYER:   Objection to the extent  
4     it's beyond the scope.

5                THE WITNESS:   Yeah.   That looks more  
6     like an invoice number.

7                Q.    BY MR. CRAWFORD:   So if you wanted to  
8     find out what this work was for, you would -- you  
9     said the only way to do it is to go to the invoice  
10    based on the invoice number?

11               MS. HILLYER:   Same objection.

12               THE WITNESS:   No.   If -- you can either  
13    extract the invoice or ask -- consult the chart of  
14    accounts to identify this long list of numbers at  
15    the very -- it's not the very right-hand, but what  
16    it -- Column 5 and 4 from the right -- no.   Sorry.  
17    Sorry.   Sorry.

18                It's the revenue combination.   It's that  
19    many, many-digit --

20               Q.    BY MR. CRAWFORD:   Oh, I see.

21               A.    -- in the column -- yeah.

22               Q.    "Revenue\_Combination"?

23               A.    Yeah.   Revenue\_Combination would tell  
24    you, for someone familiar with the code -- I'm  
25    only familiar with part of this -- parts of this --

1     what the invoice is about.

2             Q.     So you said there are a chart of accounts.

3             A.     Yes.

4             Q.     Is there some kind of a key or code  
5     that --

6             A.     Exactly. This would tell you what  
7     1200998 means.

8             Q.     Yeah. Okay.

9             A.     Okay. 001 is TPI. It's the entity  
10    number. 05 is the business unit or the activity  
11    type. 05 is our global headquarters activity.  
12    And then zeros. And then there's a specific  
13    account that describes what this revenue is  
14    about.

15            Q.     Okay. And that's the next number,  
16    the 1200998?

17            A.     Exactly.

18            Q.     And then on the last column, "Source,"  
19    what does that mean?

20                   MS. HILLYER: Objection to the extent  
21    it's beyond the scope.

22                   THE WITNESS: We -- we moved to Oracle  
23    in 2007. These invoices are pre-2007 and were  
24    converted into Oracle. So you have an invoice  
25    number, but then you have another number from

1 2007 of the conversion too. And this just tells  
2 you -- these are all automatic conversions that  
3 were done when we moved to Oracle.

4 MR. CRAWFORD: All right. Let's go  
5 to the next exhibit. I'm trying to find my  
6 outline in all this paper. Sorry.

7 MS. HILLYER: It's okay.

8 MR. CRAWFORD: Yeah. Actually, I had  
9 markings on mine because I was trying to limit  
10 the questions. Let me find mine. Can we take  
11 a quick break while I find it?

12 MS. HILLYER: Sure.

13 Before we go off, just the Exhibit 37  
14 Bates number, TEVA\_MDL\_JD\_00001244 through 1260.

15 MR. CRAWFORD: Thank you.

16 THE VIDEOGRAPHER: The time is 1:50 p.m.  
17 We are now off the record.

18 (Recess from 1:50 p.m. to 1:59 p.m.)

19 THE VIDEOGRAPHER: The time is 1:59 p.m.  
20 We are back on the record.

21 Q. BY MR. CRAWFORD: All right. I want  
22 to shift courses here. And I want to ask you if  
23 you're familiar with the Teva trade receivables  
24 securitization program?

25 A. I'm generally familiar with the program.

1 Q. And does that program apply to all the  
2 Teva subs?

3 MS. HILLYER: Objection to the extent  
4 this is beyond the scope.

5 THE WITNESS: It applies to the  
6 subsidiaries that are in the program. We're  
7 gradually -- we have been expanding it gradually.  
8 It's not immediately -- it was not made immediately,  
9 effective date.

10 Q. BY MR. CRAWFORD: Does it apply to Teva  
11 USA?

12 MS. HILLYER: Objection to the extent  
13 it's beyond the scope.

14 THE WITNESS: I think -- I'm hesitating  
15 because, over the course of the last few years,  
16 there were discussions. I believe not. Not in  
17 full at least.

18 Q. BY MR. CRAWFORD: But --

19 A. Perhaps some of it.

20 Q. -- parts of it. Okay.

21 A. Some of it.

22 Q. Who would have the most knowledge about  
23 that program and whether --

24 A. Our head --

25 MS. HILLYER: Let him finish.

1 Q. BY MR. CRAWFORD: -- and whether it  
2 applies to Teva subs, including Teva USA?

3 A. Our head of treasury, Global Treasury.

4 Q. And who is that?

5 A. Tomer Amitai.

6 Q. And who at Teva USA would have the most  
7 knowledge about that?

8 MS. HILLYER: Objection to the extent  
9 it's beyond the scope.

10 THE WITNESS: It's the Teva USA treasurer.  
11 She is brand new to the position. So I don't  
12 recall her name.

13 Q. BY MR. CRAWFORD: And do you know if  
14 the program applies to any US subsidiaries --

15 MS. HILLYER: Objection --

16 Q. BY MR. CRAWFORD: -- currently?

17 MS. HILLYER: Sorry.

18 Objection to the extent it's beyond  
19 the scope.

20 THE WITNESS: I'm not sure.

21 Q. BY MR. CRAWFORD: Do you know what the  
22 name of the SPE is that's utilized for that program?

23 MS. HILLYER: Same objection.

24 THE WITNESS: I used to know. It's  
25 in Ireland. It's an Irish company. But it has

1 something with "nature" in the name because they  
2 translated "Teva," which in Hebrew means "nature."  
3 So it has "nature" in the name.

4 Q. BY MR. CRAWFORD: Who would you ask  
5 to get that information?

6 A. Global Treasury would know, as well  
7 our legal department.

8 Q. All right. And would you mind getting  
9 that information and conveying it to us through  
10 your counsel?

11 MS. HILLYER: No. You can put a formal  
12 request in through us. I mean, he's not at --  
13 he's not at liberty to say what we will or will  
14 not produce. And that's beyond the scope.

15 MR. CRAWFORD: I'll put in a request.

16 MS. HILLYER: Objection's on the record.

17 MR. CRAWFORD: I'll put in a request.

18 Thank you.

19 MS. HILLYER: Okay.

20 Q. BY MR. CRAWFORD: Who decides when and  
21 which subsidiary's trade receivables will be sold  
22 to BNP bank and then to the SPE controlled and  
23 owned by Teva Ltd.?

24 MS. HILLYER: Objection.

25 (Court reporter clarification.)

1 Q. BY MR. CRAWFORD: BNP bank and then  
2 to the SPE controlled and owned by Teva Ltd.?

3 MS. HILLYER: Objection to form and  
4 to the extent it's beyond the scope.

5 THE WITNESS: The initiative is a  
6 global one. Global Treasury manages the operation  
7 and the relationship with BNP. The subsidiaries  
8 are offered to join to the extent that they have  
9 parameters to which subsidiaries are -- could  
10 benefit from this. And the subsidiaries generally  
11 have chosen to join. It gives them current cash  
12 for what would otherwise be receivables collectible  
13 in the future.

14 Q. BY MR. CRAWFORD: So how do the  
15 subsidiaries get the cash flow by joining the  
16 program?

17 A. Yes. They sell their receivables.  
18 That's the -- securitization is you take your  
19 receivables that are due further in time and  
20 sell them at a discount to a third party through  
21 this structure and get current cash.

22 Q. Doesn't the cash, though -- the funds  
23 go to Teva Ltd. first?

24 A. I'm not sure of the exact flow of  
25 funds within the bank accounts. But they end

1 up definitely with the subsidiary who sold the  
2 receivables.

3 Q. But doesn't -- not all of it, does it?  
4 I mean, doesn't -- strike that.

5 Doesn't Teva Ltd. have control of how  
6 resources are allocated? That would include the  
7 funds received through the SPE; right?

8 MS. HILLYER: Objection to form.

9 THE WITNESS: No. Teva has oversight --  
10 Teva -- TPI has oversight, generally, high level,  
11 on resource allocation in the company. And the  
12 securitization is a legal transaction entered  
13 into by the local subsidiary and -- I will call  
14 it the infrastructure, though, because there  
15 are several companies involved. Some of them  
16 are Teva, and some of them are BNP. Special  
17 purpose vehicles as you call them.

18 But the -- the legal entity -- the  
19 local legal entity, at the end of the day,  
20 sells its receivables and gets to its bank  
21 account cash.

22 MR. CRAWFORD: I'm going to mark  
23 an exhibit here. This is an excerpt from the  
24 Form 10-K, 10/31/18.

25 MS. HILLYER: What number are we on?

1 MR. CRAWFORD: We're on number 38?

2 MR. MAIER: 40.

3 MS. HUDNALL: 40.

4 MR. CRAWFORD: 40? Sorry.

5 (Exhibit 40 marked.)

6 Q. BY MR. CRAWFORD: Does this document  
7 or this excerpt from this form generally describe  
8 under "Securitization" the -- how the trade  
9 receivables securitization program works?

10 MS. HILLYER: Objection to form and  
11 to the extent this is an excerpt from the full  
12 document.

13 THE WITNESS: (Examining.) Yes, I  
14 believe it is.

15 Q. BY MR. CRAWFORD: And so skipping down  
16 to the last line, it says:

17 "Once sold to BNP, the relevant Teva  
18 subsidiary as seller has no retained interests  
19 in the receivables sold and they are unavailable  
20 to the relevant seller should the relevant seller  
21 become insolvent."

22 Is that how the program works?

23 A. Yes.

24 Q. And so:

25 "The conduit has all the rights"

1 in the security -- "in the securitized trade  
2 receivables, including the right to pledge  
3 or dispose of such receivables." (As read.)

4 What does that mean?

5 A. It means that the receivables as an  
6 asset, as a claim of right, move from the Teva  
7 subsidiary that sold them to the special purpose  
8 entity. And the special purpose entity has all  
9 owner's rights in these receivables.

10 Q. So skipping to the second paragraph,  
11 second sentence, it says:

12 "The conduit pays the SPE the DPP  
13 from collections received by the conduit from  
14 the securitized trade receivables (after paying  
15 senior costs and expenses, including the conduit's  
16 debt service obligations), which the SPE then pays  
17 to Teva."

18 "Teva" is TPI; correct?

19 A. Teva is not TPI. Teva is the relevant  
20 subsidiary that sold the receivables. TPI, although  
21 it facilitates the deal for the subsidiaries, same  
22 way we facilitate insurance for the subsidiaries,  
23 the transaction itself is a legal entity, a Teva  
24 legal entity in a jurisdiction selling its  
25 receivables, receiving cash, not the full amount.

1 That's how these deals go. Some of it is deferred  
2 until the -- until the -- not credit line -- the  
3 obligor actually pays the invoice. There's a  
4 mechanism that ensures the bank, BNP, that they  
5 don't lose money on this deal, but it expedites  
6 a significant portion of the cash that is trapped  
7 in these receivables for the local subsidiary.

8 Q. So when it refers to Teva, you're  
9 100 percent sure that's referring to the Teva  
10 subsidiary or entity that paid it in or that  
11 sold it?

12 A. I'm 100 percent sure that the entity  
13 that sold the receivables ends up with the cash  
14 resulting from this sale. Yes.

15 Q. And -- but it doesn't get paid first  
16 to TPI, does it?

17 A. It may move -- the funds may move  
18 through bank accounts and entities along the  
19 way, but it's only transitory. The transaction  
20 ends up with the money in the bank account of  
21 the selling entity. It cannot work otherwise.  
22 Okay.

23 The legal entity in France or Italy  
24 or Germany -- I'm just naming companies that I  
25 know are in -- on this -- in this securitization --

1 they cannot divulge of their assets without  
2 consideration. Even if they were to do it to  
3 the -- to an -- to an affiliate, they have to  
4 get fair market value for their assets. And,  
5 therefore, they get cash.

6 That's the reason their local boards  
7 signed up on this deal, because they get cash  
8 that they would otherwise have to wait for  
9 several months actually.

10 Q. Is there a -- kind of a manual that  
11 describes the program that exists or some --  
12 some type of paper that describes it?

13 A. There may be.

14 Q. And who would have -- who would know  
15 that? Would it be the Treasury department?

16 A. Yes.

17 Q. Okay. Let's go back to Exhibit 32,  
18 which is the:

19 "Segment Reporting Memorandum."

20 Okay. So if you could turn to --  
21 we're going to go back into the Segment Reporting  
22 Memorandum and go to page 26. Actually, it's  
23 the next document.

24 A. Oh, it's the --

25 MS. HILLYER: It's page 26 of the

1 exhibit.

2 THE WITNESS: Yeah. Okay.

3 MR. CRAWFORD: Of the exhibit. Okay.

4 THE WITNESS: Yes.

5 Q. BY MR. CRAWFORD: So this is the  
6 memorandum from Richard Egosi, Group Executive  
7 Vice President, Chief Legal Officer and Company  
8 Secretary to all Teva business units regarding  
9 the contract review policy; correct?

10 MS. HILLYER: Page 25.

11 THE WITNESS: That's -- okay, 25.

12 MS. HILLYER: You're on page 25?

13 MR. CRAWFORD: Yeah. It's on 25,  
14 only reading the --

15 THE WITNESS: Yeah.

16 MS. HILLYER: Okay. And 25 and 26  
17 are unrelated.

18 MR. CRAWFORD: Oh, they are? Okay.

19 MS. HILLYER: Well, I don't know if  
20 they're unrelated.

21 MR. CRAWFORD: They --

22 MS. HILLYER: But they're different  
23 documents, different Bates numbers that are --

24 MR. CRAWFORD: Thank you, Becca.  
25 That's right.

1 Q. BY MR. CRAWFORD: Go to page 26.

2 So this is the:

3 "Prevention of Corruption SOP -  
4 Supporting Functions."

5 And under "Application," it says:

6 "This SOP applies worldwide" --

7 MS. HILLYER: He's on 26 now.

8 THE WITNESS: Yeah. Aah, okay.

9 MR. CRAWFORD: Okay.

10 THE WITNESS: So that's --

11 MS. HILLYER: Sorry. It's a little --

12 THE WITNESS: So two memos here.

13 MR. CRAWFORD: Yeah.

14 MS. HILLYER: Two different pages --

15 Q. BY MR. CRAWFORD: Go to the very last  
16 page.

17 MS. HILLYER: -- seemingly unrelated.

18 THE WITNESS: Yeah. The:

19 "Prevention of Corruption."

20 Q. BY MR. CRAWFORD: Okay. And then it  
21 says:

22 "Application: This SOP applies worldwide  
23 to Teva's employees supporting the following  
24 departments."

25 So what I want to ask here is that --

1 so the staff of these departments provide support  
2 to Teva Ltd. worldwide subsidiaries, including  
3 US subsidiaries; correct?

4 A. Yes.

5 Q. And you agree that the Teva Ltd.  
6 subsidiaries pay or fund the costs to run the  
7 operations of the eleven departments; correct?

8 A. Yes.

9 Q. And then what support does Global  
10 Finance provide?

11 A. Global Finance has several functions,  
12 all of them related to finance. They -- we have  
13 finance people supporting the business, finance  
14 business partners. They are referred to usually  
15 as chief financial officers of the respective  
16 entities. And -- but there are more than just  
17 the officers themselves, the finance people that  
18 analyze, project, prepare budgets for the relevant  
19 legal entities.

20 Global Finance also includes Treasury.  
21 That is the local treasurers and the -- and  
22 accumulating into a -- in -- in -- into a global  
23 group, professional group of Global Treasury,  
24 Global Tax that we discussed, tax people in  
25 the countries working for the legal entities,

1 the professional community called Global Tax.  
2 So tax, treasury. Insurance we mentioned is  
3 also under finance. Oh, and accounting.

4 Q. Okay. And we talked, I think,  
5 earlier about Global Compliance.

6 Is that the same Global Compliance  
7 we discussed earlier?

8 MS. HILLYER: Objection to form.

9 Q. BY MR. CRAWFORD: That provided the  
10 group services?

11 A. Yes.

12 Q. And the CEO Office, what -- what does  
13 that do?

14 A. These are the very few people who  
15 work at the CEO office, helping the CEO perform  
16 his management functions.

17 Q. And how about a Global Business  
18 Development and Strategy, what does that do?

19 A. The Global Business Development and  
20 Strategy team handles and leads our corporate  
21 acquisitions, so big corporate transactions  
22 like the acquisition of IVAX and Barr, Actavis  
23 most recently.

24 Q. Okay. And then there's a Global Real  
25 Estate and Facility Management.

1                   What does that do?

2           A.     It coordinates the real estate ownership.

3     So, for example, when an entity has real estate  
4     that it wants to divest, Global Real Estate will  
5     help in ensuring that it gets the best price, seek  
6     out -- our -- our real estate is very specific,  
7     usually manufacturing site of pharma specific.

8                   So Global Real Estate will try to check  
9     if other pharma companies could be interested  
10    in that real estate because it is so specific.

11                  And Facility Management deals with  
12    ensuring or coordinating the facility management,  
13    cleaning and other stuff that relates to facility  
14    management.

15           Q.     Okay. And is that -- where is that  
16    based, that department?

17           A.     Currently --

18                   MS. HILLYER: Objection to form.

19                   THE WITNESS: Currently, it's part --  
20    it's managed by the head of EHS, Peter Tachner.  
21    That is part of Teva Global Operations. It  
22    used to be part of Finance.

23           Q.     BY MR. CRAWFORD: Who heads that  
24    department?

25           A.     I'm not sure who heads it right now.

1 Q. Do you know what country?

2 A. No.

3 MS. HILLYER: Objection to form.

4 Q. BY MR. CRAWFORD: Okay. Turn to page

5 5. I just have a couple questions on this.

6 These are support functions, these

7 Roman numerals i through v; correct?

8 A. No, these are not -- these are not  
9 support functions.

10 Q. Okay. It says --

11 A. Operations. R & D.

12 Q. -- that:

13 "Each" --

14 "Each segment result will include  
15 direct charges, as well as fully allocated  
16 expenses related to several support functions,  
17 as" follows. (As read.)

18 And then it says:

19 "Teva's Global Operations ("TGO") will  
20 be allocated to each segment using three-step  
21 approach based on the standard costs of the sold  
22 products."

23 What -- what does the "support function"  
24 mean as used in that first sentence?

25 MS. HILLYER: Objection to the extent

1 it's beyond the scope.

2 THE WITNESS: The way the business works  
3 is that the market knows better than anybody else  
4 what they can sell. So they will turn to Global  
5 R & D and say, these are the products that we  
6 want to sell, develop these for us. And then  
7 R & D develops. Or, if it cannot develop, the  
8 business can go outside and procure development.

9 Once the product is developed, the  
10 business -- the market would turn to Teva Global  
11 Operations and say, I want this manufactured,  
12 these quantities, or this period of time,  
13 et cetera. It then -- it is TGO that is  
14 responsible for manufacturing and delivering  
15 to the market the product based on the -- on  
16 the demand. And if Global Operations, the site --  
17 the various sites -- none of the existing sites  
18 can manufacture or it's not economic to manufacture  
19 for some reason, then the market can buy the  
20 products outside of Teva.

21 Q. BY MR. CRAWFORD: And so, then, the  
22 next step, Global Marketing and Portfolio, they  
23 step in and help the marketing function, then?

24 A. They are not -- in practice, although  
25 the name may suggest so, they're not involved

1 so much in marketing, and more in portfolio.  
2 And these are these cross-regional opportunities  
3 to identify a product we have in the US, for  
4 example, that could also be sold in Europe with  
5 small modifications for approval.

6 Q. Okay. So is Global R & D -- is that  
7 a support function?

8 A. We usually refer to support functions  
9 as functions that are not related directly to  
10 the value chain. So R & D, manufacturing, sales  
11 would be the value chain of our products. And  
12 support functions are HR, finance, functions  
13 that are not in the value chain.

14 The -- the support, it's -- the --  
15 the reference to "support functions" here just  
16 illustrates why we don't have a segment called,  
17 you know, financial reporting, called Teva  
18 operations. Because our business segments  
19 are market based. We think market. The market  
20 is the one that determines what they want to  
21 sell and -- what they want to develop and what  
22 they want sold -- manufactured so they can sell  
23 it. It all starts from the market.

24 Q. So if Teva USA wanted to sell a product,  
25 it -- it would go -- and wanted to develop one,

1 it would go to R & D here first to help assist  
2 it in doing that.

3 Where -- where -- does this just exist  
4 in the ether? Or is there a kind of a base of  
5 operations for Global R & D?

6 MS. HILLYER: Objection to form.

7 THE WITNESS: Global R & D, by its  
8 name, is global. There is a committee that  
9 would meet. Teva USA would produce its wish  
10 list of the products that they think they can  
11 sell at a profit in the market. Global R & D  
12 will then assess its capabilities, the various  
13 development sites that the group has in many  
14 locations, and will strive to accommodate the  
15 request, unless it cannot. And then sometimes  
16 we go outside. "We" as -- I mean the local  
17 subsidiary, if they really think they can make --  
18 you know, if this is a valuable product for them,  
19 they would go outside of Teva for the development.

20 Q. BY MR. CRAWFORD: And why would a sub  
21 go to Global Marketing and Portfolio? What would --  
22 what kind of advice would they seek there, or --  
23 or information?

24 MS. HILLYER: Objection to form.

25 THE WITNESS: Global Marketing and

1 Portfolio would review the -- the wish list  
2 and the portfolio of currently sold products  
3 in various subsidiaries and try to identify  
4 where we can get synergies by having a product  
5 that we already manufacture that -- let's say,  
6 Teva Czech or one of our largest manufacturing  
7 cities already manufactures for France that can  
8 also be sold in Italy.

9 So they're -- they are the -- if we  
10 think vertically in regions and below regions,  
11 especially outside the US, we even think in  
12 countries -- so France, Italy -- the Global  
13 Marketing and Portfolio cuts across this, try  
14 to identify where we can leverage things that  
15 are made here somewhere else.

16 Q. BY MR. CRAWFORD: One more question.  
17 Has any Teva entity pledged any of  
18 its NDAs or ANDAs as security to anyone?

19 MS. HILLYER: Objection to the extent  
20 that's beyond the scope and -- and to form.

21 Did you say -- a security to what?  
22 I thought there was more to that --

23 MR. CRAWFORD: A security to anyone.

24 I mean --

25 MS. HILLYER: Any.

1 Q. BY MR. CRAWFORD: Do you know what  
2 an NDA is?

3 A. Yes, of course.

4 Q. Okay. So -- okay. So an NDA -- have  
5 they pledged an NDA or an ANDA as security for  
6 anything, any of the US subs?

7 A. I don't know.

8 MR. CRAWFORD: Okay. Thank you.

9 I'm going to pass the witness.

10 MR. CARTMELL: Let's take a break.

11 THE VIDEOGRAPHER: The time is 2:25 p.m.  
12 We're now off the record.

13 (Recess from 2:25 p.m. to 2:36 p.m.)

14 THE VIDEOGRAPHER: The time is 2:36 p.m.  
15 We are back on the record.

16

17 EXAMINATION

18 BY MR. CARTMELL:

19 Q. Mr. Herman, my name Tom Cartmell,  
20 and I'm going to ask you some questions. It's  
21 nice to meet you.

22 I want to say up front I'm going  
23 to try to use "TPI" to identify Teva -- Teva  
24 Pharmaceuticals [sic] Ltd. But just like  
25 Mr. Crawford, I have been calling it Teva

1 Ltd. myself. So if I ever call it Teva Ltd.,  
2 is it okay for you to understand that I'm  
3 referring to Teva Pharmaceuticals [sic] Ltd.?

4 A. If I'm unclear, I will try to clarify.

5 Q. Okay. Thank you.

6 Now, you mentioned a few times that  
7 you were testifying about a relevant time period.

8 What -- what was it that you determined  
9 to be a relevant time period related to your  
10 testimony in this case?

11 A. I --

12 MS. HILLYER: Objection to form.

13 THE WITNESS: I was informed that,  
14 generally, the time frame is 2000 to the present.

15 Q. BY MR. CARTMELL: Okay. Was it your  
16 understanding that the general time frame would  
17 be related to when it was that Teva or the Teva  
18 entities globally started selling opioids?

19 A. I don't know.

20 Q. Do you understand generally that the  
21 allegations in this case have to do with the  
22 way that Teva -- I'm speaking in terms of the --  
23 the Teva entities -- globally marketed or sold  
24 or handled opioids?

25 MS. HILLYER: Objection to form.

1 THE WITNESS: We don't market and sell  
2 globally opioids. These are controlled substances.  
3 Only local subsidiaries can deal with controlled  
4 substances.

5 Q. BY MR. CARTMELL: And I didn't mean to  
6 say you were selling it globally.

7 What -- what I meant to say is when  
8 Teva -- and I'm -- and I'm saying "Teva" meaning,  
9 for instance, the group of Teva subsidiaries and,  
10 in this case, Teva USA, started selling opioids.

11 MS. HILLYER: Objection to form.

12 THE WITNESS: I don't know when and  
13 any details about Teva USA's selling of opioids.

14 Q. BY MR. CARTMELL: Okay. Well, some  
15 of the topics that you have been designated  
16 to testify in regard the -- for example, the  
17 structure of -- of TPI related to -- or during  
18 the time period when they were selling opioids.

19 Do you understand that?

20 A. Yes.

21 Q. So have you determined or tried to  
22 determine in any way when it was that Teva  
23 USA, for example, started selling opioids?

24 A. No.

25 MS. HILLYER: Objection to form.

1 (Court reporter clarification.)

2 THE WITNESS: No.

3 (Exhibit 41 marked.)

4 Q. BY MR. CARTMELL: I'm going to hand  
5 you what's been marked as Exhibit 41.

6 MS. HILLYER: Thanks.

7 Q. BY MR. CARTMELL: Mr. Herman, Exhibit  
8 41 is a press release that we found in Teva Ltd. --  
9 or excuse me -- in Teva's files and was produced  
10 in the course of this litigation. I just have  
11 a few quick questions about this. It's titled:

12 "Teva to Sell Oxycodone Through the  
13 End of 2007."

14 Do you see that?

15 A. Yes.

16 Q. Are you aware that oxycodone is an  
17 opioid?

18 MS. HILLYER: Objection. Beyond the  
19 scope.

20 THE WITNESS: From my personal knowledge,  
21 yes.

22 Q. BY MR. CARTMELL: Okay. And this is  
23 a press release dated March 6, 2007.

24 Do you see that?

25 A. Yes.

1           Q.    There's individuals listed on this  
2   press release, contacts.  And, for example,  
3   Dan Suesskind is one listed here, Chief  
4   Financial Officer from Teva Pharmaceuticals  
5   [sic] Industries Ltd.

6                   Do you see that?

7           A.    Yes.

8           Q.    And then there's George Barrett, from  
9   Teva North America, and Liraz Kalif, I think,  
10   Teva Investor Relations.

11                   Do you see that?

12          A.    Yes.

13          Q.    Is it your understanding that those  
14   would be the individuals who would have drafted  
15   this press release?

16                   MS. HILLYER:  Objection.  Beyond the  
17   scope.

18                   THE WITNESS:  These are the people who  
19   are mentioned as contacts that would -- for the  
20   investors.  This is for the investors community.  
21   So investors with questions would approach any  
22   of these people here.

23          Q.    BY MR. CARTMELL:  And you can see in  
24   the upper left-hand corner, this is from Teva  
25   Pharmaceutical Industries Ltd. or at least it's

1 on their letterhead; is that correct?

2 A. Yes.

3 Q. So it's your understanding this  
4 would be a press release that was written by  
5 Teva Pharmaceuticals [sic] Industries Ltd.?

6 A. This is --

7 MS. HILLYER: Objection. Beyond the  
8 scope.

9 THE WITNESS: This is a press release  
10 released by Teva Pharmaceutical Industries Ltd.  
11 by --

12 Q. BY MR. CARTMELL: And you don't --  
13 pardon me. I -- I apologize.

14 You don't know who wrote it, I take  
15 it?

16 A. No.

17 Q. It states:

18 "Teva Pharmaceutical Industries Ltd." --  
19 And then gives the stock symbol.

20 -- "... announced today that it will  
21 continue to sell its generic version of OxyContin  
22 tablets at least through the end of 2007."

23 (As read.)

24 Do you see that?

25 A. Yes.

1           Q.    Is it fair to say that this would  
2    indicate that, at least as of the date of this  
3    March 6, 2007, press release by Teva Pharmaceutical  
4    Industries Ltd., at that time Teva USA was selling  
5    opioids in America?

6           MS. HILLYER:  Objection to the extent  
7    that's beyond the scope.

8           THE WITNESS:  My interpretation of  
9    "continue to sell" means that Teva USA has been  
10   selling before that date.

11          Q.    BY MR. CARTMELL:  Right.

12                And this would be a press release,  
13   based on your understanding, I take it, that  
14   would be issued in the United States for the  
15   public to see?

16          MS. HILLYER:  Objection to the extent  
17   that's beyond the scope.

18          THE WITNESS:  That press release is  
19   for the investors community in the capital market --  
20   in the main capital market where Teva stock --  
21   at that point, I believe it was Nasdaq but still  
22   in the US.

23          Q.    BY MR. CARTMELL:  Okay.  And I think  
24   you mentioned previously that these press releases  
25   like this are for investors and they're sort of

1 marketing in your mind?

2 MS. HILLYER: Objection to form.

3 Mischaracterizes testimony.

4 THE WITNESS: They are investors  
5 related or investor destined. So they speak  
6 to the potential or the economic performance  
7 of Teva -- TPI, Teva Pharmaceutical Industries  
8 Ltd. and its subsidiaries.

9 Q. BY MR. CARTMELL: And is a press release  
10 like this intended to positively affect the stock --  
11 the stock price of Teva Pharmaceutical Industries  
12 Ltd.?

13 MS. HILLYER: Objection to the extent  
14 it's beyond the scope.

15 THE WITNESS: Not always. They are  
16 mandated. They are -- the significant business  
17 developments, we have to disclose by SEC rules.  
18 Some of them support our stock price and --  
19 and promote our stock price. Some of them are  
20 detriment -- detrimental to our stock price.

21 Q. BY MR. CARTMELL: And based on your  
22 understanding and expertise, is this one that  
23 is intended to support your stock price?

24 MS. HILLYER: Hold on.

25 Objection. He's not here as an expert.

1 And it's beyond the scope.

2 THE WITNESS: And I don't know.

3 Q. BY MR. CARTMELL: At any rate, is this  
4 an -- to the best of your knowledge, an accurate  
5 press release?

6 MS. HILLYER: Objection to form and  
7 to the extent it's beyond the scope.

8 THE WITNESS: It is not false. It  
9 is not legally complete in a sense that TPI,  
10 it says, it will sell. TPI -- that I can  
11 attest to -- never sold oxycodone, could not  
12 sell oxycodone because of regulatory requirements  
13 that, as a controlled substance, had to be  
14 manufactured -- developed, manufactured, and  
15 sold in the US. And, therefore, TPI could not  
16 have sold oxycodone. So this is a shorthand  
17 to say one of our subsidiaries sold and will  
18 continue to sell.

19 Q. BY MR. CARTMELL: That's a good point.

20 This press release that was issued  
21 in the United States to the public -- general  
22 public, including investors, states that Teva  
23 Pharmaceuticals [sic] Ltd., or TPI as you called  
24 it, actually sold and would continue to sell  
25 oxycodone; correct?

1 MS. HILLYER: Objection to form.

2 Q. BY MR. CARTMELL: That's what it says?

3 A. It says -- it says Teva Pharmaceutical  
4 Industries Ltd., it will continue its generic  
5 version. The -- this is a common shorthand  
6 for the Teva group of companies. TPI by itself  
7 cannot -- because of -- because of regulatory  
8 constraints, TPI could not manufacture and sell  
9 FDA-approved oxycodone in the US.

10 Q. So just so it's clear, your belief is  
11 that this is -- is Teva Pharmaceutical Industries  
12 Ltd. using shorthand when it says to the general  
13 public that it is -- it's selling opioids, in  
14 this case, oxy -- oxycodone?

15 Is that your testimony?

16 MS. HILLYER: Objection to form.

17 THE WITNESS: It's using --

18 Q. BY MR. CARTMELL: Is it shorthand?

19 MS. HILLYER: Let him answer.

20 THE WITNESS: Here I'm maybe at the  
21 boundary of my English capabilities.

22 Q. BY MR. CARTMELL: Do you understand  
23 what "shorthand" means?

24 A. What "shorthand" means is "abbreviated."  
25 Would that be a good synonym for "shorthand"?

1           Q.     So your testimony is that what Teva  
2     Pharmaceutical Industries Ltd. was doing in  
3     this press release when they told America's  
4     public and investors that it was selling  
5     oxycodone, it was just giving an abbreviated  
6     version?

7                     MS. HILLYER:   Objection to form.   And  
8     this is beyond the scope.

9                     THE WITNESS:   The press releases are --  
10    are released through PR wire to the investors  
11    community.   They are not only in the US -- not  
12    only the US, but worldwide investors community  
13    that invest in Teva, TPI, stock.   The value of  
14    TPI stock is affected by -- affected by business  
15    developments in TPI and its subsidiaries.

16                    We usually -- and this is common practice  
17    in the market, in the capital market.   We usually  
18    refer only to the traded company.   But that does  
19    not mean that we think that that parent company  
20    is the one doing whatever is done here.   And  
21    we have covered several instances before in  
22    acquisitions where the description was very  
23    high level, very abbreviated.

24            Q.     BY MR. CARTMELL:   So let me follow  
25    up on that.

1                   When you say we usually refer to  
2     the parent company, meaning Teva Pharmaceutical  
3     Industries Ltd., you're saying that that's the  
4     way Teva Pharmaceuticals [sic] Industries Ltd.  
5     usually does it; correct?

6           A.     Yes.

7           Q.     Okay. And -- and so what you're saying  
8     is that Teva Pharmaceutical Industries Ltd., when  
9     talking to investors or issuing statements about,  
10    for example, sales, they will usually just mention  
11    that Teva Pharmaceutical Industries Ltd. is the  
12    entity that is making the sales?

13                   Fair enough?

14           MS. HILLYER: Objection to form and  
15    beyond the scope.

16           THE WITNESS: Yes. The -- it would  
17    usually say TPI sells, sold profits for the  
18    year, abbreviated for TPI and its subsidiaries.

19           Q.     BY MR. CARTMELL: But -- but based  
20    on your experience, it's not unusual for TPI  
21    to say -- express that TPI is the one who is  
22    selling the products?

23                   Fair?

24           MS. HILLYER: Objection to form.

25           THE WITNESS: It is usual for TPI

1 not to disclose too much of the legal entity  
2 structure below -- that comprises the Teva  
3 group.

4 Q. BY MR. CARTMELL: I understand.  
5 But -- but my question's a little bit different.

6 It's not unusual for TPI to express  
7 that TPI is the one who is selling the products?

8 Fair?

9 MS. HILLYER: Objection to form.

10 THE WITNESS: I honestly am not sure  
11 how to respond to that.

12 Q. BY MR. CARTMELL: Well, I used your  
13 words. Okay. You said we usually just simply  
14 say the parent company when expressing those  
15 things.

16 And I'm just confirming that, based  
17 on your experience in press releases or materials  
18 like this, it's true, sir, is it not, based on  
19 your prior testimony, that usually TPI will just  
20 say that -- or refer to the parent company, to  
21 TPI, as the one selling the products?

22 MS. HILLYER: Objection to form.

23 THE WITNESS: In our press releases  
24 we usually refer only to the parent company,  
25 whether it's about sales or any other business

1 activity or development, unless there's a specific  
2 need to mention any of the subsidiaries by name.

3 Q. BY MR. CARTMELL: Okay. And when you  
4 say "the parent company," you mean TPI?

5 A. TPI.

6 Q. Okay. This press release -- you  
7 mentioned earlier that you -- you -- you were  
8 referring to a press release as a marketing.

9 Are these press releases at Teva  
10 Pharmaceuticals [sic] Ltd. prepared by their  
11 marketing department?

12 MS. HILLYER: Sorry. Hold on.

13 Objection to form. Mischaracterizes  
14 his testimony and beyond the scope.

15 THE WITNESS: No.

16 (Exhibit 42 marked.)

17 Q. BY MR. CARTMELL: Okay. Let me hand  
18 you what's been marked as Exhibit 42.

19 We get the gold star for giving you  
20 so many copies. That's the Wagstaff Cartmell  
21 firm.

22 MS. HUDNALL: I can't guarantee that  
23 with all of them.

24 MR. CARTMELL: I spoke too soon.

25 Q. BY MR. CARTMELL: Mr. Herman, this

1 exhibit is a PowerPoint presentation that was  
2 produced from Teva's files in this litigation.

3 And the title of this is:

4 "Welcome to Teva Pharmaceutical  
5 Industries Ltd., 2017."

6 Do you see that?

7 A. (Examining.) Yes.

8 Q. Is this a -- a PowerPoint presentation  
9 that you're familiar with?

10 A. Yes.

11 Q. And it looks like -- I don't want to  
12 generalize or put words in -- in your mouth --  
13 that this is some type of -- of marketing piece  
14 for Teva Pharmaceuticals [sic] Industries Ltd.?

15 A. This is meant to interest people in  
16 investing in Teva. This is not a marketing  
17 of our products. This is a marketing of our  
18 company, of -- of the shares, of stock.

19 Q. Marketing of your services that your  
20 company provides?

21 A. No.

22 MS. HILLYER: Objection to form.

23 Q. BY MR. CARTMELL: Marketing of the  
24 company as a whole?

25 MS. HILLYER: Objection to form.

1                   THE WITNESS: Marketing of the shares  
2   of Teva Ltd., TPI, as a good investment, or the  
3   bonds of Teva, of TPI, as a good debt instrument --  
4   debt -- debt investment. It tells the corporate  
5   story of the group of companies, what do we do,  
6   why our -- why is Teva Ltd. -- why is TPI a good  
7   investment.

8           Q.    BY MR. CARTMELL: If you go to the --  
9   what looks like the fourth page after that, it  
10   states:

11                   "We came a long way in the last century  
12   through mergers, acquisitions and organic growth."

13                   Do you see that?

14           MS. HILLYER: I'm not -- I'm not on that  
15   page yet. Sorry. What page?

16           THE WITNESS: It's the next one.

17           MR. CARTMELL: We'll display it too, if  
18   you want to see it on the display.

19           MS. HILLYER: Got it. Sorry. Go ahead.

20           Q.    BY MR. CARTMELL: Do you see that? I  
21   want to ask you questions about that.

22                   You've talked some today about some  
23   mergers and acquisitions that have transpired  
24   over the years; correct?

25           A.    Yes.

1 Q. For example, there was an acquisition  
2 or a merger with IVAX back in 2006, I believe?

3 A. Yes.

4 MS. HILLYER: Objection to form.

5 Q. BY MR. CARTMELL: And during your work  
6 in this case, because of some of the topics here,  
7 have you determined whether or not those companies  
8 that Teva or -- well, that became a part of the  
9 Teva -- Teva group of companies sold opioids?

10 A. No.

11 Q. Okay. Did you know that IVAX, who  
12 TPI acquired in 2006, was a seller of opioids?

13 A. Not until preparing -- preparing for  
14 this deposition, where I learned who are the  
15 Teva entities that are being -- being charged  
16 or ...

17 Q. Okay. And then in 2008, there was  
18 a merger or acquisition with Barr; is that  
19 correct?

20 MS. HILLYER: Objection to form.

21 THE WITNESS: Yes.

22 Q. BY MR. CARTMELL: And did you become  
23 aware, through your work in preparing for this  
24 deposition, that that was another company acquired  
25 by the Teva group of companies that sold opioids?

1 A. So I understand, yes.

2 Q. Then in 2011, there was the acquisition  
3 of a company called Cephalon; correct?

4 A. Yes.

5 Q. And did you become aware that that  
6 company became a part -- or was acquired and  
7 became a part of the Teva group of companies  
8 and actually sold branded opioids?

9 A. Yes.

10 Q. And was that the first time that  
11 Teva had branched out into the world of  
12 actually selling branded products?

13 MS. HILLYER: Objection to form.

14 THE WITNESS: I'm not sure what Teva --  
15 the group?

16 Q. BY MR. CARTMELL: Yes.

17 A. No. We had Copaxone azelate. A few  
18 not-that-important products. But Copaxone was  
19 a leading branded product for many years.

20 Q. But as far as opioids, that was the  
21 first time that the Teva group had first started  
22 selling branded opioid products?

23 Is that fair?

24 MS. HILLYER: Objection. Beyond the  
25 scope.

1 THE WITNESS: I don't know.

2 Q. BY MR. CARTMELL: Okay. And then, in  
3 2016, there was the acquisition of the Actavis  
4 generic companies; is that correct?

5 A. Yes.

6 Q. And as you said, that was several  
7 companies, several transactions; is that right?

8 A. Yes.

9 Q. And was your understanding, based  
10 on your work in preparing for this deposition,  
11 that the Actavis companies sold a large volume  
12 of generic opioids?

13 MS. HILLYER: Objection to form.

14 THE WITNESS: I don't know about  
15 volume. And these are not the Actavis companies,  
16 but rather the US Actavis because of the same  
17 regulatory constraints that we talked about.  
18 I understand that Actavis US also sold opioids.

19 Q. BY MR. CARTMELL: And during the  
20 course of your work, did you learn that over  
21 those approximately ten years of acquisitions  
22 and mergers with other pharmaceutical companies,  
23 that Teva group had become the largest seller  
24 of opioids in the United States?

25 MS. HILLYER: Objection to form.

1 Assumes facts not in evidence. And beyond  
2 the scope.

3 THE WITNESS: I don't know.

4 Q. BY MR. CARTMELL: It states here  
5 that -- and this is a Teva Pharmaceuticals  
6 [sic] Ltd. PowerPoint. It says:

7 "The leading global generic company."

8 Do you see that?

9 A. Yes.

10 Q. (Reading.)

11 "Commercial presence in 80 markets."

12 Correct?

13 A. Yes.

14 Q. That's presenting Teva Ltd., or TPI,  
15 as sort of a global group of companies; is that  
16 true?

17 A. It presents the Teva group as a global  
18 group of companies. Yes.

19 Q. Well, this is Teva Pharmaceutical Ltd.  
20 who's making these statements; correct?

21 A. This is Teva Pharmaceutical Ltd.  
22 advertising its stock, its shares as a good  
23 investment.

24 Q. And it also states that it has  
25 "57,000 employees"; correct?

1 A. It does.

2 Q. With a revenue --

3 A. It does state --

4 Q. I'm sorry?

5 A. It does state -- the presentation does  
6 state so.

7 Q. Okay. With \$21.9 billion in revenues  
8 in 2016; correct?

9 A. That's what it says.

10 Q. If you turn the page, it talks about:

11 "Distributing medicines in approximately  
12 100 markets around the world."

13 Do you see that?

14 A. Yes.

15 Q. (Reading.)

16 "Our business is divided across the  
17 United States, Europe, and" the "Rest of the  
18 World." (As read.)

19 Do you see that?

20 A. Yes.

21 Q. This is Teva Pharmaceutical Ltd.  
22 presenting this as a globe -- a global -- or  
23 itself as a global business throughout America  
24 with 100 markets around the world --

25 MS. HILLYER: Objection to form.

1 Q. BY MR. CARTMELL: -- correct?

2 A. This is TPI advertising its stock,  
3 explaining what it and its subsidiaries as  
4 a group do around the world.

5 Q. Okay. And then if you turn the page,  
6 it states that Teva -- strike that.

7 If you turn the page, Teva Pharmaceutical  
8 Ltd. is -- states that it manufactures 120 billion  
9 tablets and capsules annually.

10 Do you see that?

11 A. Yes.

12 Q. And then the next page states that  
13 Teva Pharmaceutical Ltd. is:

14 "The world's largest medicine cabinet."

15 Do you see that?

16 A. Yes.

17 Q. And I take it you've -- you've heard  
18 that phrase or that -- that's something that  
19 is in lots of internal documents at Teva?

20 A. Yes.

21 MS. HILLYER: Objection to form.

22 You have to slow down and --

23 Q. BY MR. CARTMELL: If you turn the page --

24 MS. HILLYER: It's okay.

25 Q. BY MR. CARTMELL: If you turn the page,

1 it states that:

2 "1 in 6 prescriptions in the US is  
3 filled with a Teva medicine."

4 Do you see that?

5 A. I do. I see.

6 Q. And you had mentioned previously that  
7 part of Teva's branding had been that the group  
8 of companies, including Teva USA, all make up  
9 a global company.

10 Is this a part of that sort of branding?

11 MS. HILLYER: Objection to form. And  
12 mischaracterizes his testimony.

13 Q. BY MR. CARTMELL: Well, I don't want  
14 to mischaracterize your testimony.

15 Does that mischaracterize your testimony?

16 A. You'll have to explain to me what  
17 "mischaracterizing" --

18 Q. That's okay.

19 A. -- means.

20 Q. That's all right.

21 I don't want to misstate your testimony.  
22 But I think previously you said that Teva, as  
23 part of sort of its branding, has turned to  
24 presenting itself or the group of companies  
25 as a global sort of unified group of companies.

1 Fair?

2 MS. HILLYER: Objection to form.

3 THE WITNESS: To the investor world,  
4 we have always reported consolidated financial  
5 results and have always marketed ourselves, TPI,  
6 as the ultimate parent of a group of companies  
7 that do a lot of good things, some mentioned  
8 here.

9 So to the investor coming -- investing  
10 in TPI -- because they cannot invest in the US  
11 business of ours or -- or in our operations --  
12 they invest in the totality of the company.  
13 The financial results of the totality of the  
14 company comprise the group.

15 So for the investor, we always --  
16 TPI always presented itself and its subsidiaries  
17 on what the -- what the financial jargon calls  
18 a consolidated basis, everything together.

19 Q. BY MR. CARTMELL: All the companies  
20 together, consolidated; correct?

21 MS. HILLYER: Objection to form.

22 THE WITNESS: Yes. For the financial --  
23 for the financial perspective.

24 For other audiences -- patients,  
25 caregivers, governments, et cetera -- until

1 relatively recently, a year, year and a half  
2 ago, we did not -- we did not make any effort  
3 to be consistent or -- or to appear as one.

4 This was manifested by the fact that  
5 we let companies keep their pre-acquisition  
6 brands. So companies in the Teva group would  
7 still have letterheads and -- and products that  
8 had different brands.

9 MR. CARTMELL: Okay. I appreciate  
10 that. I'll follow up on that in a minute.

11 (Exhibit 43 marked.)

12 Q. BY MR. CARTMELL: Okay. Let me hand  
13 you Exhibit 43. This is an e -- e-mail that  
14 was produced from the files of the company and  
15 also a presentation that we'll look at in a  
16 minute called:

17 "CEO Leadership Forum, May 31, 2016."

18 Do you see that?

19 A. Uh-huh.

20 Q. If you would turn to the -- the  
21 presentation, which is the third page of what  
22 I handed you, are you familiar with the CEO  
23 Leadership Forum?

24 A. Yes.

25 Q. And is that a presentation basically

1 by the CEO or the group, as you said, that helps  
2 the CEO with his duties, that talks about the  
3 strategies of the company and the priorities  
4 of the company for the coming year?

5 A. The Leadership Forum is senior management,  
6 not -- a level or two below the Teva Executive  
7 Committee that we discussed earlier, people  
8 reporting to these eleven, I believe now, people.  
9 And this is a presentation of the CEO to this  
10 group about, again, the Teva group financial.

11 Q. Who's -- who's the CEO?

12 A. At that point in time, Erez Vigodman.

13 Q. The CEO of TPI; correct?

14 A. CEO of TPI.

15 Q. And so the CEO of TPI is presenting  
16 to the Executive Committee, for example?

17 A. No. The -- the Executive Committee  
18 we talked about. This is a larger forum of  
19 people reporting to the Executive Committee.  
20 So that would be me reporting to the CFO, the  
21 Global Treasurer reporting to the CFO.

22 Q. Teva USA employees?

23 A. The --

24 MS. HILLYER: Objection to form.

25 Q. BY MR. CARTMELL: Is that true?

1 MS. HILLYER: Sorry. I don't -- what's  
2 the question?

3 Q. BY MR. CARTMELL: Teva USA employees  
4 as well; true?

5 A. Few people in Teva USA that report to --  
6 I forget at that point in time who was head of  
7 Americas. But now it would be the people reporting  
8 to Brendan O'Grady.

9 Q. Okay. All right. At any rate, this  
10 is a presentation that's given. And then, as  
11 we can see from the e-mails, this presentation  
12 is circulated throughout the company, for example?

13 A. To that forum.

14 MS. HILLYER: Are you asking if that's  
15 correct?

16 Q. BY MR. CARTMELL: Is that correct?

17 MS. HILLYER: Objection to form.

18 THE WITNESS: It's then -- there's a --  
19 a videoconference or usually a phone conference.  
20 And then this is distributed to the forum that  
21 was invited to the conference.

22 Q. BY MR. CARTMELL: And then if you turn  
23 to page 38 -- you won't have -- you won't have it.

24 MS. HILLYER: Take your time and look  
25 through it.

1 Q. BY MR. CARTMELL: So I'm going to show  
2 it to you, because it really doesn't have anything  
3 but about 20 words on it.

4 MS. HILLYER: They have -- they have  
5 them on there.

6 MR. CARTMELL: Oh, they do. Okay.

7 MS. HILLYER: They're faded.

8 MR. CARTMELL: I didn't know that.

9 MS. HILLYER: I think. Yeah.

10 THE WITNESS: So yeah.

11 Q. BY MR. CARTMELL: So the CEO in this  
12 presentation to those -- as you've explained,  
13 that report to the CEO talks about this:

14 "One global brand. One story. One  
15 Teva."

16 Do you see that?

17 A. Yes.

18 Q. Does that go along with sort of the  
19 philosophy, as you said, that there was an  
20 emphasis on presenting this group as a unified  
21 global company?

22 MS. HILLYER: Objection to form.

23 THE WITNESS: This is the inception,  
24 the start of our journey towards having one  
25 brand. This is not in any sense one company.

1 It is -- because we have many legal entities.  
2 But it is an idea that we can, through the brand,  
3 deliver consistent values of quality, of being  
4 concerned about patients, et cetera, through  
5 this visual. And that visual, that logo, if  
6 it were the same in all of our subsidiaries,  
7 would convey a consistent message. And that's --  
8 that presentation in '16 was actually the very  
9 start of it.

10 Q. BY MR. CARTMELL: You were saying '17.

11 But it was actually in 2016; correct?

12 A. In '16, Iris Beck-Codner said: Why  
13 don't we go that direction? We only started  
14 actually converting companies to the new logo  
15 in '17, that is, subsidiaries replacing their  
16 letterhead only in '17.

17 Q. If you go back to the front page,  
18 the e-mail that was produced in this litigation  
19 that was circulated, there is an e-mail from  
20 Marty Berndt in June of 2016 to several other  
21 individuals who are actually from Teva North  
22 America and some, I believe, from Teva USA.  
23 It states:

24 "Team. Last week Erez Vigodman" --  
25 The CEO I think you said.

1                   -- "held a CEO Leadership Forum Webcast  
2     sharing additional insight into where we have  
3     been over the past two years, where we are headed  
4     strategically and re-confirmed our priorities  
5     for 2016."

6                   Do you see that?

7           A.     Yes.

8           Q.     That is referring to the CEO's  
9     presentation.

10                   It's true, is it not, that the CEO,  
11     or Teva, TPI, through the CEO, gave direction  
12     to Teva USA and the other entities of strategically  
13     where the company was going, the group of companies  
14     as a whole; correct?

15           A.     This is an excellent example.

16           Q.     Okay. Can you answer my question?

17                   MS. HILLYER: He is answering. Give  
18     him a second.

19                   MR. CARTMELL: No, no, no, no. What  
20     he --

21                   MS. HILLYER: He -- he said three words.

22                   MR. CARTMELL: No, no. What he can  
23     do is he can answer it "yes" or "no" or "I can't  
24     answer that" and then provide an explanation. But  
25     what he likes to do is not answer the question and

1     then say it's an excellent example.

2             Q.     BY MR. CARTMELL:   I simply asked this:

3     Is this -- well, let me ask it a different way.

4                    The CEO of TPI sets the strategy for  
5     the company or the group of companies; correct?

6             A.     Yes, at that granularity that you see  
7     in the presentation.

8             Q.     Okay. And it also states here that  
9     he "re-confirmed" -- that he "re-confirmed our  
10    priorities for 2016."

11                   Do you see that?

12             A.     Yes.

13             Q.     And is it true that the CEO, in  
14    presentations like this or otherwise, sets --  
15    strike that.

16                   And is it true that the CEO for TPI  
17    sets the priorities for the group of -- of  
18    companies, Teva companies?

19             A.     Yes.

20                   MS. HILLYER:   Objection to form.

21                   THE WITNESS:   Yes, at this level of  
22    granularity --

23             Q.     BY MR. CARTMELL:   Okay.

24             A.     -- that you see here.

25             Q.     Okay. And that includes the strategy

1 and the priorities, for example, of one of the  
2 subsidiaries, Teva USA?

3 Fair?

4 A. At very high-level granularity, yes.  
5 (Exhibit 44 marked.)

6 MR. CRAWFORD: Okay. I just have very  
7 few questions about this next exhibit.

8 MS. HILLYER: Take your time and look  
9 at it.

10 MR. CARTMELL: This is Exhibit 44. And --

11 MS. HILLYER: You want to stick -- put  
12 the sticker on them, I guess.

13 MR. CARTMELL: What you're telling the  
14 witness --

15 MS. HILLYER: I said --

16 MR. CARTMELL: -- was not on the record.  
17 Did you get that?

18 MS. HILLYER: I said: Take your time  
19 to look at it if you need to.

20 MR. CARTMELL: Okay.

21 MS. HILLYER: And then I said to you:  
22 Just put the sticker on so it doesn't come off.

23 MR. CARTMELL: Okay.

24 MS. HILLYER: You can put that on the  
25 record if you like.

1 MR. CARTMELL: That's fine.

2 Q. BY MR. CARTMELL: Exhibit 44 is a  
3 PowerPoint presentation that was produced to  
4 us and also an e-mail that attaches. It was  
5 produced from Teva's files in this case. This  
6 is back in 2008.

7 Do you see that?

8 A. (Examining.) Yes.

9 Q. It's called:  
10 "Global Generic Resources."

11 Do you see that?

12 A. Yes.

13 Q. Now, do you know what --

14 MS. HILLYER: Sorry. I think --

15 MR. CARTMELL: I'm sorry.

16 MS. HILLYER: -- it's missing two pages?  
17 Or there's more to the e-mail? The Bates numbers  
18 are not consecutive. They go from 32 to 35.

19 MR. CARTMELL: What's that?

20 MS. HUDNALL: Other attachments.

21 MS. HILLYER: Other attachments? Okay.

22 MR. CARTMELL: Yeah. Other attachments.

23 Q. BY MR. CARTMELL: Okay. So let me ask  
24 you, sir.

25 So "Alliance Boot Visit," that's --

1     that's an actual visit by customers to Jerusalem;  
2     is that right?

3                 MS. HILLYER:  Objection to the extent  
4     it goes beyond the scope.

5                 THE WITNESS:  It appears to be.

6                 MR. CARTMELL:  Okay.

7                 MS. HILLYER:  Did you get that?  I --  
8     I scratched the --

9                 (Court reporter clarification.)

10                MS. HILLYER:  You want to say it again?

11                THE WITNESS:  It appears to be the  
12     presentation for a customer, Alliance Boot.

13                Q.     BY MR. CARTMELL:  Who actually come  
14     to Israel; correct?

15                A.     Probably.

16                Q.     Okay.  And then if -- if you look  
17     at page -- are these numbered? -- 4, this is  
18     talking about:

19                    "Benefits from our global structure."

20                    Do you see that?

21                A.     Yes.

22                Q.     And -- and you mentioned previously  
23     that having sort of a global structure, a  
24     united global structure, provides benefits  
25     to the company; correct?

1 MS. HILLYER: Objection to form.

2 THE WITNESS: The -- our global  
3 manufacturing network is an economic --  
4 provides an economic value to the market  
5 subsidiaries.

6 Q. BY MR. CARTMELL: Okay. And what  
7 about actually marketing the companies as  
8 a whole, including the parent company and  
9 all the companies together as one global  
10 unit? Other than manufacturing benefits  
11 for purchasing power, are there other  
12 benefits to the company from that?

13 MS. HILLYER: Objection to form.

14 THE WITNESS: Yes.

15 Q. BY MR. CARTMELL: What are those?

16 A. The fact that we can, as a group,  
17 have sites that are -- that specialize in  
18 certain technologies, while other sites are  
19 specializing in other technologies, allows  
20 the group to offer the markets the ability  
21 to source cheaply and efficiently from what  
22 is now called Global Operations. At the time,  
23 it was called that name at the top.

24 Q. Okay. If you turn to page 10, there's  
25 a slide that says:

1 "Global Generic Resources - Global  
2 Presence."

3 Do you see that?

4 A. Yes.

5 Q. And this is Teva Pharmaceutical  
6 Industries Ltd. telling customers that it  
7 has a global presence throughout the world;  
8 correct?

9 MS. HILLYER: Objection. Beyond  
10 the scope.

11 THE WITNESS: This is a presentation  
12 by our -- one of our business units, our Global  
13 Operations business unit, that shows customers  
14 that we have manufacturing facilities across  
15 the globe.

16 Q. BY MR. CARTMELL: Okay. And is that  
17 Global Operations unit that you're talking  
18 about headquartered in -- in Israel?

19 MS. HILLYER: Objection to form.

20 THE WITNESS: In -- at that point in  
21 time, it was. The head -- I should explain that  
22 these are global organizations. They sit almost  
23 everywhere.

24 Q. BY MR. CARTMELL: I'm just asking about  
25 the Global --

1 A. Yes.

2 Q. -- Operations.

3 A. Right. At that point in time, the  
4 head of Global Operations was an Israeli sitting  
5 in Israel. Right now, his -- his predecessor --  
6 successor -- his successor, or several successors,  
7 but the person currently filling that role is  
8 Carlo de Notaristefani sitting in the US.

9 Q. I understand that.

10 But who was -- who was his predecessor?

11 A. Carlo's --

12 MS. HILLYER: Objection to form.

13 THE WITNESS: Carlo's predecessor was  
14 Arik Yaari, an Israeli. Arik's predecessor was  
15 Jacob Winter, an Israeli, whose name is on this  
16 presentation.

17 Q. BY MR. CARTMELL: For how long was  
18 the Global Operations department headquartered  
19 in Israel?

20 MS. HILLYER: Objection to form.

21 THE WITNESS: I believe they started  
22 in 2006 after the acquisition of IVAX. This is  
23 the first time the group has started to look at  
24 manufacturing as something that can benefit from  
25 a global view and not only local relations. The

1 first two hats were Israeli, and the third is --  
2 is an American.

3 Q. BY MR. CARTMELL: Can you approximate  
4 when it was that it changed from Israelis sitting  
5 in Israel to an American?

6 A. Actually don't need to, because I think,  
7 in the bios, Carlo has his date of joining Teva.  
8 So it's going to be very simple. I can go to  
9 Exhibit 25 and see that he joined Teva in 2012.

10 So until 2012, the heads of these --  
11 of this business unit were in Israel. And since  
12 2012, the head of this unit sits in the US.

13 Q. And during that time, from 2006 through  
14 2012, Global Operations -- or the head of Global  
15 Operations were employees of TPI?

16 A. Yes.

17 Q. Page 10 talks about global R & D sites.  
18 Do you see that?

19 A. Yes.

20 Q. And at least as of this time -- as of  
21 this time in 2008, there were two research and  
22 development sites in the United States; correct?

23 A. That's what it says here.

24 Q. One was in Irvine, California, the  
25 other in Sellersville, Pennsylvania; correct?

1           A.     That's what the picture shows. I  
2     don't recall.

3           Q.     And until when -- or strike that.

4                     Are there still two research and  
5     development sites related to products that  
6     Teva is selling in the United States?

7                     MS. HILLYER: Objection to form.

8                     THE WITNESS: There are, I believe,  
9     more. Since then, we have acquired companies  
10    and restructured R & D several times. Their  
11    locations have shifted. For example, Irvine  
12    is not engaged in R & D anymore.

13            Q.     BY MR. CARTMELL: Just if you can --  
14    tell me, to the best of your knowledge, if you  
15    can give us a list of the research and development  
16    Teva sites in the United States right now.

17                     MS. HILLYER: Objection to the extent --

18                     THE WITNESS: Hard to recite by --

19                     MS. HILLYER: -- it's beyond --

20            Q.     BY MR. CARTMELL: Can you name --

21                     MS. HILLYER: Hold on. Hold on.

22                     Objection to the extent the last question  
23    was beyond the scope.

24            Q.     BY MR. CARTMELL: You can tell me as  
25    many as you know.

1           A.     We have R & D in Miami. We have R & D  
2     that is legacy, our biologics R & D that is in  
3     the West Coast, but not in Irvine.

4           Q.     Someplace in California?

5           A.     Yeah. I forget where they sit.

6                     I think we closed the one in -- just  
7     outside Washington, DC. Then I'm less familiar  
8     with the -- the ones that came with Actavis.

9           Q.     Are there dozens?

10          A.     Because they're -- no. No.

11          Q.     Can you approximate how many?

12          A.     There's a couple.

13          Q.     Okay. I actually said there were  
14     only two at this time in 2008. But it looks  
15     like there was actually Sellersville, Congers,  
16     Northvale, Fairfield, and Doral.

17                     Correct?

18          A.     No. These are manufacturing sites.

19          Q.     Oh, I gotcha. That's just -- that's  
20     just --

21          A.     Yeah.

22          Q.     -- R & D?

23          A.     The green dots are R & D.

24          Q.     Okay. So there were two, Sellersville  
25     and Irvine; is that right?

1 A. That's what the picture shows.

2 Q. Okay. And you think today, though,  
3 there are how many more than that?

4 A. A handful in different -- in different  
5 locations than what you see here.

6 Q. Okay. If you turn to page 23:

7 "What Makes Teva Generic R & D  
8 Successful?"

9 This is as of 2008. It says:

10 "Truly Globalized Generic R & D."

11 "Integrated Systems."

12 "Interlinked Strategies."

13 Do you see that?

14 A. Yes.

15 Q. And is that still the case today?

16 MS. HILLYER: Objection to form and  
17 to the extent it's beyond the scope.

18 THE WITNESS: It's -- it is.

19 Q. BY MR. CARTMELL: In other words,  
20 all of the sites around the world are integrated  
21 systems, meaning data systems and computer  
22 systems, databases, that sort of thing?

23 MS. HILLYER: Objection to form.

24 THE WITNESS: Data systems are aligned.  
25 I am not sure, you know, the IT exact definition

1 of "integrated." I don't know how integrated  
2 they are. But yes, they are aligned. And the  
3 resource allocation within R & D is managed in  
4 a -- in a global -- with a global view.

5 Q. BY MR. CARTMELL: And the strategies  
6 globally in the company from the parent on down  
7 are interlinked; correct?

8 MS. HILLYER: Objection to form.

9 THE WITNESS: I'm not sure what this  
10 means.

11 MS. HILLYER: Me neither.

12 THE WITNESS: Sorry. The strategy --  
13 the head of Global R & D sets the strategy as  
14 to how many sites we keep. Do we open a new  
15 one with technology that we currently don't  
16 have? She and her team determines which product  
17 that the market request is best developed where,  
18 depending on the capability of the site and  
19 the people.

20 Q. BY MR. CARTMELL: Okay. I want to  
21 switch gears a little bit and talk to you about --  
22 really it's Topic 3 today, which is the manner  
23 in which TPI monitors, oversees, directs, and  
24 controls certain things listed here as far as  
25 Teva USA. Okay?

1 A. Okay.

2 Q. And I take it you spent some time  
3 trying to determine those things; correct?

4 A. I don't recall the exact wording  
5 of the sections by heart. So if you show  
6 them to me, I'll be happy --

7 Q. Well, I can -- I can -- you have  
8 it in front of you.

9 A. Oh, it's not -- right, it's there.  
10 You're right.

11 Q. Exhibit 1.

12 A. You're right. Sorry. Yes. So No. 3.

13 Q. Right. It states:

14 "The manner in which you" --

15 Meaning TPI.

16 -- "monitor, oversee, direct and  
17 control your subsidiaries" --

18 Do you see that?

19 A. Yes.

20 Q. And then -- then it:

21 -- "with regard to ... development,  
22 testing, approval, manufacture, marketing,  
23 sale, promotion, distribution, suspicious  
24 order monitoring, or pharmacovigilance."

25 (As read.)

1 Do you see that?

2 A. Yes.

3 Q. And I take it you spent some time  
4 trying to determine, during the relevant time  
5 period, which is when these companies were  
6 selling opioids -- or Teva USA was in the  
7 United States; correct?

8 A. Yeah.

9 MS. HILLYER: Objection to form.

10 Q. BY MR. CARTMELL: Now, are you  
11 familiar with suspicious order monitoring?

12 A. Excuse me?

13 Q. Do you know what "suspicious order  
14 monitoring" is here that's referred to in  
15 the notice, No. 3, as one of the topics to  
16 discuss?

17 MS. HILLYER: Objection to form.  
18 Mischaracterizes the topics.

19 THE WITNESS: No.

20 Q. BY MR. CARTMELL: You have -- you have  
21 no idea what "suspicious order monitoring" is  
22 as you sit here today?

23 A. No.

24 Q. Okay. This states that you're to  
25 testify about the manner in which TPI monitors,

1 oversees, directs and controls subsidiaries,  
2 including Teva USA. One of the issues is  
3 related to "suspicious order monitoring."

4 Do you see that?

5 A. Yes.

6 Q. Okay. Did you determine that?

7 MS. HILLYER: Objection to form.

8 THE WITNESS: Did I determine what?

9 Q. BY MR. CARTMELL: Did you determine  
10 the extent to which TPI, the parent company,  
11 does those things related to suspicious order  
12 monitoring?

13 A. With respect to suspicious order  
14 monitoring? No.

15 Q. Okay. Did you know that a seller --  
16 a pharmaceutical company who's selling Class 2  
17 narcotics is required by law to have a suspicious  
18 order monitoring program?

19 MS. HILLYER: Objection to the extent  
20 it's beyond the scope.

21 THE WITNESS: No, I don't. This is  
22 not the level of detail that TPI would usually  
23 be involved in with its subsidiaries.

24 Q. BY MR. CARTMELL: Do you know if Teva  
25 had a suspicious order monitoring program at

1 any relevant time why -- while Teva has been  
2 selling opioid narcotics?

3 MS. HILLYER: Objection to form.

4 What Teva entity are you referring  
5 to?

6 MR. CARTMELL: I'll re-state it.

7 Q. BY MR. CARTMELL: Do you know whether  
8 or not Teva USA has had a suspicious order  
9 monitoring program at any time while selling  
10 opioid narcotics in the USA?

11 MS. HILLYER: Objection to the extent  
12 it's beyond the scope.

13 THE WITNESS: No, I don't.

14 MR. CARTMELL: How can that be beyond  
15 the scope?

16 MS. HILLYER: He's not here to testify  
17 about Teva having suspicious order monitoring.  
18 The -- the topic is the extent to which TPI may  
19 oversee that. And he just testified TPI doesn't  
20 get into that kind of granularity --

21 MR. CARTMELL: No.

22 MS. HILLYER: -- about Teva USA --

23 MR. CARTMELL: You testified to that.

24 MS. HILLYER: No. Go look up on your  
25 realtime. He said TPI doesn't get into the

1     granularity about SOM systems.

2                   MR. CARTMELL:   Well, he has to know  
3     whether they have a program and what it is in  
4     order to know whether or not it's monitored  
5     or overseen or directed or controlled.   Let  
6     me -- that's for the record.

7           Q.     BY MR. CARTMELL:   Let me -- let me  
8     ask you, sir.

9                   Did you know that TPI oversaw the  
10    suspicious order monitoring program at Teva  
11    USA?

12                   MS. HILLYER:   Objection.

13                   THE WITNESS:   Is that --

14                   MS. HILLYER:   Assumes facts not in  
15    evidence.

16                   THE WITNESS:   Is that a fact that  
17    you're asking me if I'm -- if I know?   Or  
18    is the question whether this fact happened  
19    or not?

20           Q.     BY MR. CARTMELL:   Well, do you know  
21    whether or not?

22           A.     No, I don't.

23           Q.     Okay.

24                   (Exhibit 45 marked.)

25           Q.     BY MR. CARTMELL:   Let me hand you

1 Exhibit 45. Does --

2 MS. HILLYER: Wait. Hold on.

3 Oh, that's just the old exhibit number.

4 MR. CARTMELL: Yeah.

5 MS. HILLYER: Okay. It was confusing.

6 Q. BY MR. CARTMELL: This is a document,  
7 Exhibit 45, that was produced from Teva's files  
8 in this lawsuit. And you'll see that it is an  
9 e-mail on the front page from Colleen McGinn,  
10 who works in the Compliance -- DEA Compliance  
11 department at Teva USA, to several individuals.

12 Do you see that?

13 A. (Examining.) Yes.

14 Q. And this is dated 8 of 2015; correct?

15 A. Yes.

16 Q. Attached to that is a:

17 "Global Internal Audit."

18 Do you see that?

19 A. Yes.

20 Q. Now, just to make it clear, are you  
21 familiar with TPI's Global Internal Audit  
22 department?

23 A. Yes.

24 Q. Okay. And that is a department within  
25 TPI that actually sends -- with respect to Teva

1 USA, for instance, sends employees of TPI to the  
2 United States to audit -- audit various departments  
3 within Teva USA?

4 A. Right.

5 Q. Okay. And that is one way that TPI  
6 monitors or oversees the actions of the departments  
7 to ensure that the Teva USA departments are acting  
8 in accordance with the law or follows -- following  
9 the law and following the -- the global policies;  
10 correct?

11 MS. HILLYER: Objection to form.

12 THE WITNESS: Yes.

13 Q. BY MR. CARTMELL: Okay. Now, you'll  
14 see here that this is a Global Internal Audit  
15 from August 19th of 2015:

16 "DEA, Drug Enforcement Administration -  
17 Handling Controlled Substances in US."

18 Do you see that?

19 A. Yes.

20 Q. Have you seen this document before  
21 today?

22 A. No.

23 Q. Okay. If you turn the page, under  
24 the "Preface" it says:

25 "The Operational and R & D Audit Group

1 of Global Internal Audit" (hereinafter "referred  
2 to as 'GIA') conducted during July" '15 "an audit  
3 of the Drug Enforcement Administration Department."  
4 (As read.)

5 Do you see that?

6 A. Yes.

7 Q. Okay. So real quick, I'd like you to  
8 just turn to the last page -- or excuse me --  
9 to the -- the page that the last three Bates  
10 numbers are 571.

11 A. Okay.

12 Q. And -- and you'll see on that page  
13 that this audit is actually -- there's a --  
14 there's actually a signature block, and it  
15 refers to "Itai Rigbi."

16 Do you see that?

17 A. Yes.

18 Q. I may have -- I may not have pronounced  
19 that -- who is a Global Internal Audit, Senior  
20 Director, Global Head of Operations and R & D.

21 Do you see that?

22 A. Yes.

23 Q. He is a TPI employee from Israel;  
24 correct?

25 A. I believe he is.

1 Q. He came from Israel to the United  
2 States to the Teva USA offices, where they  
3 have global -- or excuse me -- where they have  
4 the DEA Compliance department and performed  
5 an audit or looked at their processes in the  
6 US, according to this document; correct?

7 A. According --

8 MS. HILLYER: Objection to form.

9 THE WITNESS: Yes. According to this  
10 document, that's what he did.

11 Q. BY MR. CARTMELL: Okay. It states,  
12 under "Objectives, Scope and Method" --

13 MS. HILLYER: Well, where -- where  
14 are you?

15 Q. BY MR. CARTMELL: Back -- I'm sorry.  
16 I'm back at -- at the:

17 "Executive Summary."

18 "The aims of the audit were to review  
19 the overall way in which ... DEA activities are  
20 handled in US by the DEA department, to assess"  
21 and various -- "the various internal processes  
22 and to ensure that the risks associated with"  
23 the "activities are properly managed." (As read.)

24 Do you see that?

25 A. Yes.

1           Q.     So this is a TPI employee from Israel  
2     coming to America to audit them to make sure  
3     that they are following appropriate policies  
4     and procedures set out by the parent company,  
5     TPI; correct?

6                     MS. HILLYER:   Objection to form.

7                     THE WITNESS:   Yes.

8           Q.     BY MR. CARTMELL:   Okay.   It states  
9     that this is -- employee from Israel and TPI  
10    came and had meetings with DEA members, as  
11    well as with other TGO members who are also  
12    involved in day-to-day interactions with the  
13    DEA department.

14                    Do you see that?

15           A.     Yes.

16           Q.     So at -- at this time, according  
17    to this document, Teva Global Operations was  
18    having day-to-day interaction with the DEA  
19    department; correct?

20                    MS. HILLYER:   Objection to form.

21                    THE WITNESS:   Yes.   But it requires  
22    clarification.

23           Q.     BY MR. CARTMELL:   Actually, you can  
24    clarify it with your lawyer.   I'm just actually --

25                    MS. HILLYER:   You're going to cut off

1 his answer?

2 MR. CARTMELL: He said -- he answered  
3 my question. He said: "Yes."

4 MS. HILLYER: No. He was still speaking.

5 MR. CARTMELL: Okay.

6 THE WITNESS: The local employees of  
7 the manufacturing site in, say, Sellersville  
8 are also referred to internally in Teva as TGO  
9 employees, although they don't have a global  
10 role. They are just line operators. They are  
11 still called TGO employees.

12 The people here, I believe, refer to  
13 the local people in the US who are in operations  
14 in the manufacturing sites. And they have daily  
15 interactions with DEA people of Teva USA. These  
16 are all Teva USA and its subsidiaries.

17 Q. BY MR. CARTMELL: I understand. It  
18 says "TGO," which is Global Operations.

19 There are Global Operations people  
20 in Israel, and there are Global Operations  
21 people in the United States; correct?

22 A. Yes.

23 Q. It doesn't say here who that is.

24 A. No.

25 Q. You're speculating? Fair?

1 A. Yeah.

2 Q. Okay. If you -- if you turn the page,  
3 under "The DEA Department," this is referring  
4 to the department in the United States. The  
5 fourth bullet point states:

6 "The DEA department head reports  
7 to the SVP" --

8 What does that stand for?

9 A. Senior Vice President.

10 Q. Okay. Senior Vice President.

11 -- "Head of Regional Manufacturing  
12 Operations, who reports to the President and  
13 CEO of TGO."

14 Do you see that?

15 A. Yes.

16 Q. Okay. So I think this is sort of  
17 what you were talking about previously as some --  
18 sometimes the local subsidiary or -- or, in this  
19 case, Teva USA has a direct report to somebody  
20 regionally; correct?

21 A. Yes.

22 Q. And that's the case here; right?

23 A. Yes.

24 Q. And then that regional director reports  
25 to somebody in Global Operations.

1                   And in this case, it was the president  
2   and CEO of TGO; correct?

3           A.    Yes.

4           Q.    Who was the president and CEO of TGO  
5   as of 2015? Do you recall?

6           A.    Carlo de Notaristefani.

7           Q.    Okay. And at that time, where was  
8   she employed?

9           A.    He was --

10          Q.    I'm sorry.

11          A.    He was operating from the US.

12          Q.    Okay. And he was the president and  
13   CEO of Teva Global Operations; correct?

14          A.    Yes.

15          Q.    And was he one of those employees  
16   sitting in the United States that was providing  
17   global work and management around the world?

18          A.    Yes.

19          Q.    And as a result of that, TPI paid  
20   a portion or all of his salary to Teva USA,  
21   who then paid him?

22                   MS. HILLYER: Objection to form.

23                   THE WITNESS: Yes. His costs of  
24   employment was borne by the various entities  
25   that -- around the world that manufacture

1 and, therefore, benefit from his services.

2 Q. BY MR. CARTMELL: Right. So one  
3 of the people who paid his salary -- or strike  
4 that.

5 One of the entities that paid his  
6 salary was TPI, who would pay it to Teva USA,  
7 and then Teva USA would pay it to him?

8 Fair?

9 A. Yes.

10 Q. Okay.

11 MS. HILLYER: Are we at a good breaking  
12 point? We've been going over an hour.

13 MR. CARTMELL: Sure.

14 THE VIDEOGRAPHER: The time is 3:38 p.m.  
15 We are now off the record.

16 (Recess from 3:38 p.m. to 3:57 p.m.)

17 THE VIDEOGRAPHER: The time is 3:57 p.m.  
18 We are back on the record.

19 Q. BY MR. CARTMELL: Mr. Herman, under the  
20 "Preface," the second paragraph says:

21 "The audit was conducted in accordance  
22 with the 2015 GIA Plan as approved by the Audit  
23 Committee of Teva's Board of Directors."

24 Do you see that?

25 A. Yes.

1 Q. That's TPI's board of directors;  
2 correct?

3 A. Yes.

4 Q. Okay. And then there were findings  
5 by TPI's auditor that was sent from Israel to  
6 the US to audit the DEA Compliance department.  
7 If you look under the second bullet point above,  
8 it states:

9 "Isolated control and process deficiencies  
10 were identified, which neither individually nor  
11 collectively compromises the goals and deliverables  
12 of the audited function/process; however,  
13 remediation is necessary to better align with  
14 company expectations, requirements and standards."

15 Do you see that?

16 MS. HILLYER: Objection to form.

17 THE WITNESS: Yes.

18 MR. CARTMELL: Okay. Just for the  
19 record, I just read what it says.

20 MS. HILLYER: Before that, you had  
21 a prefatory comment that I was objecting to.

22 Q. BY MR. CARTMELL: Okay. Now, as  
23 this states -- and I take it you know from  
24 your experience, when a TPI auditor comes  
25 to the United States and audits the Teva USA

1 and they find, as this states, deficiencies,  
2 they ask the Teva USA entity to remediate  
3 those deficiencies; correct?

4 MS. HILLYER: Objection to form.

5 THE WITNESS: Yes.

6 Q. BY MR. CARTMELL: Okay. And -- and --  
7 and here the TPI auditor from Israel found that  
8 remediation is necessary. And it states:

9 "To better align with company  
10 expectations, requirements and standards."

11 Do you see that?

12 A. Yes.

13 Q. Okay. So TPI sets the expectations,  
14 the requirements, and standards that Teva USA  
15 DEA Compliance was expected to adhere to;  
16 correct?

17 MS. HILLYER: Objection to form.

18 THE WITNESS: The purpose of the  
19 audit -- the internal audit is exactly that,  
20 to ensure that the subsidiaries of TPI complied  
21 with laws, standards, professional requirements,  
22 et cetera. The language itself is standard.

23 So if the audit was on any other  
24 entity and any other process or operation and  
25 they found that the process is effective but

1     there are opportunities to improve, you would  
2     find the same language. The expectation of  
3     TPI is that TUSA complied with the requirements,  
4     in this case, DEA requirements.

5           Q.     BY MR. CARTMELL: I'll just move to  
6     strike, and I'll ask it again. My -- I think  
7     my question's a little bit different than that.

8           T -- TPI, the parent corporation, sets,  
9     as this -- states, the expectations, requirements,  
10    and standards that Teva USA, in the DEA Compliance  
11    section, was supposed to adhere to; correct?

12           MS. HILLYER: Objection to form.

13           THE WITNESS: Yes. The expectation  
14    is -- or let me rephrase it.

15           TPI does not set standards for DEA  
16    compliance. This is because DEA -- DEA is a  
17    US -- as far as I know, a US governmental agency.

18           The people in Teva USA that function  
19    for the USA -- Teva USA business that ensure the  
20    compliance are being audited by internal audit to  
21    make sure that what they do meets our expectation.  
22    That is, the TPI expectation is that what they do  
23    meets DEA government -- US government requirements  
24    of a pharmaceutical company.

25           Q.     BY MR. CARTMELL: And TPI is overseeing

1 and monitoring and auditing the Teva USA DEA  
2 compliance to make sure that they are adhering  
3 to those standards; correct?

4 A. Yes.

5 MS. HILLYER: Objection to form.

6 Q. BY MR. CARTMELL: Okay.

7 A. Yes.

8 Q. And, in fact, in this case, TPI in  
9 Israel had been auditing the DEA Compliance  
10 department at Teva USA for over a year and  
11 a half at this point; correct?

12 MS. HILLYER: Objection to form.

13 THE WITNESS: I don't know.

14 Q. BY MR. CARTMELL: If you turn to --  
15 if you turn to 570, the last three Bates, please.  
16 Under "Audits," the last sentence on that page,  
17 it states:

18 "Although internal auditing activity  
19 has already been conducted for more than a year  
20 and a half, a significant portion of the processes  
21 are still insufficiently formulated."

22 Do you see that?

23 A. Yes.

24 Q. So according to this document, TPI  
25 Israel had been routinely or regularly auditing

1 the DEA Compliance company in Teva USA for a  
2 year and a half at this time; correct?

3 MS. HILLYER: Objection to form.

4 THE WITNESS: This is what the text  
5 says.

6 Q. BY MR. CARTMELL: Okay. And the  
7 standards, it referred -- in -- in the prior  
8 page, when it talked about "standards," it's  
9 true, is it not, that TPI globally sets forth,  
10 through standard operating procedures, the  
11 policies that Teva USA was supposed to follow?

12 MS. HILLYER: Objection to form.

13 THE WITNESS: TPI issues standard  
14 operating procedures on certain topics.

15 Q. BY MR. CARTMELL: Right.

16 And those are -- I -- I've seen in  
17 the documents those are typically referred to  
18 as "global policies"?

19 A. Yes.

20 Q. Okay. And those come from TPI, the  
21 corporate parent, to Teva USA. And they are  
22 directives that Teva USA is supposed to follow;  
23 correct?

24 A. Yes. These are usually in domains  
25 that are -- that if the local subsidiary --

1 the Teva USA or another subsidiary strays,  
2 it may hurt the parent company.

3 Q. That -- you mentioned that a few  
4 times.

5 One of the reasons why Teva or TPI  
6 in Israel, the parent company, is overseeing  
7 and managing and -- and auditing Teva USA is  
8 because they don't want them to hurt the parent  
9 corporation, TPI, by doing something against  
10 the law or not according to standards; correct?

11 MS. HILLYER: Objection to form.

12 THE WITNESS: TPI, as a traded company,  
13 is under obligation to ensure that its subsidiaries  
14 follow the law and the required regulations,  
15 standards, et cetera. Otherwise, as in the case  
16 of FCPA, it is liable itself for the wrongdoing  
17 of its subsidiaries.

18 Q. BY MR. CARTMELL: Okay.

19 A. So this is why on specific issues  
20 we, as TPI, do monitor the compliance of our  
21 subsidiaries.

22 Q. Right.

23 If you go to 581, please, one of  
24 the areas that was looked at by TPI through  
25 its employee auditor from Israel was the

1 suspicious order monitoring process.

2 Do you see that?

3 A. Let me -- 581. (Examining.)

4 Q. Do you see that?

5 A. Yeah. I see that.

6 Q. And -- and I'll represent to you  
7 that one of the allegations in this case  
8 is that Teva -- the Teva entities did not  
9 have a valid or appropriate suspicious order  
10 monitoring program, meaning that, when they  
11 were selling and distributing opiate drugs,  
12 they weren't monitoring those drugs for  
13 diversion or abuse or mis-use adequately.

14 Did you know that?

15 A. Not in that level of specificity.

16 Q. Okay. And -- and the last sentence  
17 here states that the auditor from TPI in Israel  
18 found that:

19 "Granting exclusive authority to  
20 a single person to release a suspicious order  
21 constitutes a risk for mistakes."

22 Do you see that?

23 A. I see that.

24 Q. Okay. And then it states in this  
25 table here that there were potential risks

1 to the company. Do you see that, potential  
2 risk?

3 A. Uh-huh.

4 Q. And it says:

5 "False approval and release of  
6 suspicious sales orders."

7 Do you see that?

8 A. Yes.

9 Q. Okay. And that's what the -- the  
10 Israeli TPI auditor found?

11 Is that your understanding?

12 MS. HILLYER: Objection to form and  
13 to the extent this is beyond the scope.

14 THE WITNESS: Yes.

15 Q. BY MR. CARTMELL: Okay. And then  
16 there are recommendations that the auditor  
17 actually gives to Teva USA DEA Compliance  
18 department.

19 Do you see that?

20 A. Yes.

21 Q. And I take it you know from your  
22 experience that, when an audit is done by  
23 TPI, they send Israeli auditors over here --  
24 or employees from the Israeli parent home  
25 office to the USA.

1                   And if they find that there are  
2   deficiencies, they give recommendations  
3   that they expect Teva USA to then renumerate  
4   [sic]; correct?

5                   MS. HILLYER:  Objection to form.

6                   THE WITNESS:  The process -- and you  
7   can see that in the next column -- is -- yes,  
8   there are recommendations and manage -- local  
9   management either agrees or rejects.  There's a  
10   conversation about the -- about the recommendations  
11   and an agreed remediation plan.

12                  Q.   BY MR. CARTMELL:  Well, the -- the Teva  
13   USA, who's being audited, there are recommendations  
14   made, and they are required to renumerate [sic];  
15   correct?

16                  MS. HILLYER:  Objection to form.  
17   Mischaracterizes his testimony.

18                  THE WITNESS:  That's not what it  
19   says here.

20                  Q.   BY MR. CARTMELL:  Well, do you know?

21                  A.   It says:

22                          "Management Response."

23                          "Agreed."

24                  Q.   Okay.

25                  A.   And knowing -- not from this, because

1 I was not involved in this. But I was involved  
2 in other global internal audit reports. The  
3 process is global internal audit brings their  
4 findings. There is a discussion about what  
5 could be an effective remediation of the risks  
6 identified. And then there's an agreed-upon  
7 remediation plan --

8 Q. Okay.

9 A. -- that the local subsidiary undertakes.  
10 (Exhibit 46 marked.)

11 Q. BY MR. CARTMELL: And I'll hand you  
12 what's been marked as Exhibit 46, which is an  
13 e-mail string that was produced from the files  
14 of Teva in this lawsuit. And I just have one --  
15 or a few questions about the first e-mail on  
16 the page. You'll see that it's from Matthew  
17 Benkert, who I will represent to you is from  
18 the DEA department in Teva USA, to Arie Arditi.

19 You see that?

20 A. (Examining.) Uh-huh.

21 Q. And Itai Rigbi is cc'd. That was  
22 the auditor that came from Israel to the USA  
23 to audit the -- the Compliance department.

24 Do you remember that?

25 A. Yes.

1 Q. And it says:

2 "Arie. Thank you for following up.

3 I was planning on e-mailing you this week.

4 As of last week, all action items have been

5 completed."

6 And -- and you'll see below that

7 Arie had been following up with Matthew Benkert,

8 asking him where -- what the status was of the

9 action items.

10 Do you see that?

11 A. Yes.

12 Q. And -- and is that sort of typical?

13 If there is an agreement, that the

14 deficiencies will be renumerated [sic], then

15 they work together -- in other words, the

16 auditors -- or the auditing department from

17 TPI in Israel will work together with Teva

18 USA to renumerate [sic] and make sure that

19 the recommendations are carried out?

20 MS. HILLYER: Objection to form

21 and mischaracterizes his testimony.

22 THE WITNESS: No.

23 Q. BY MR. CARTMELL: Okay.

24 A. And I explain. "No" meaning, internal

25 audit does not remediate anything. They point

1 to a risk, to a potential risk, and they discuss  
2 with management -- with the local management  
3 responsible for the operation what could be  
4 a mitigating plan and then follow up to see  
5 that local management actually remediated.  
6 The internal audit does not solve problems.  
7 It just identifies them.

8 Q. Gotcha. Okay. I'm done with that  
9 document.

10 Another area that you were asked to  
11 testify about has to do with TPI's control or  
12 monitoring or overseeing of Teva USA related  
13 to pharmacovigilance.

14 Do you see that?

15 A. Yes.

16 Q. Okay. And I take it you're prepared  
17 to testify in that regard?

18 A. Yeah.

19 (Exhibit 47 marked.)

20 Q. BY MR. CARTMELL: Let me hand you  
21 what's been marked as Exhibit 47.

22 Now, are you familiar with what the  
23 process of pharmacovigilance is?

24 A. In a broad sense.

25 Q. Is your understanding that a company

1     like Teva USA, for example, who is distributing  
2     or selling or marketing pharmaceuticals, has a  
3     requirement by law to have a pharmacovigilance  
4     process in place?

5             A.     Yes.

6                    MS. HILLYER:  Objection.  I'm sorry.  
7     Objection.  Beyond the scope.

8             Q.     BY MR. CARTMELL:  And the process  
9     of pharmacovigilance, is it your understanding  
10    that that is a process related to the safety  
11    of a drug like an opioid?

12                   MS. HILLYER:  Same objection.

13                   THE WITNESS:  Generally speaking, yes.

14             Q.     BY MR. CARTMELL:  And post-marketing,  
15    or after a drug like an opioid comes to market  
16    and is being sold, a company like Teva is --  
17    who distributes opioids, or one of the member  
18    companies of the group who distributes opioids,  
19    has the requirement that they continue to track  
20    and assess adverse events related to that drug,  
21    for example, an opioid?

22                   MS. HILLYER:  Objection to form and  
23    beyond the scope.

24                   THE WITNESS:  I'm not an expert on  
25    pharmacovigilance rules in any specific country.

1 But, generally, the pharmacovigilance, as the  
2 name implies, is the monitoring and reporting  
3 system that any pharmaceutical company needs  
4 to set up to address -- to receive and address  
5 adverse effects related to its products.

6 Q. BY MR. CARTMELL: Right.

7 And one of the reasons for that is  
8 to try to ensure patient safety associated with  
9 the drugs; correct?

10 MS. HILLYER: Objection. Beyond the  
11 scope.

12 THE WITNESS: I presume yes.

13 Q. BY MR. CARTMELL: Okay. Now, does  
14 TPI in Israel have a pharmacovigilance department?

15 A. We have a pharmacovigilance department  
16 for the Israeli market that deals with complaints  
17 and reports of adverse effects of our products  
18 in Israel.

19 Q. You also have a pharmacovigilance --  
20 or a safety and pharmacovigilance department and  
21 employees who oversee and audit the subsidiary  
22 companies like Teva USA; correct?

23 MS. HILLYER: Objection to form.

24 THE WITNESS: Yes.

25 Q. BY MR. CARTMELL: And I've handed you

1     this exhibit which was produced to us in this  
2     lawsuit, which is, you'll see from the e-mail,  
3     attaching an internal audit of the pharmacovigilance  
4     system at Teva USA.

5             Do you see that?

6             MS. HILLYER: Give him a second.

7             THE WITNESS: (Examining.) Okay.

8             Q. BY MR. CARTMELL: And if you go to  
9     the next page, it states:

10            "Teva Pharmaceuticals Pharmacovigilance  
11    Audit Report, January" 2011. (As read.)

12            Do you see that?

13            A. Yes.

14            Q. Okay. The next page, under "Executive  
15    Summary," it states:

16            "A pharmacovigilance (PV) audit by  
17    Barton Cobert, MD, FACP, FACG, FFPM of BLCMD  
18    Associates ...and Mr. Eric Elbaz and Dr. Hila  
19    Avidan of Teva Global Compliance was performed  
20    on January 25-27, 2011 at the Teva offices in ...  
21    Pennsylvania, USA." (As read.)

22            Do you see that?

23            A. Yes.

24            Q. Okay. So just like TPI in Israel  
25    sending over an auditor from Israel to Teva

1 USA and the DEA Compliance department, this  
2 is an example of TPI and Israel sending over  
3 auditors from Israel to audit Teva USA's  
4 pharmacovigilance department; correct?

5 MS. HILLYER: Objection to form.

6 THE WITNESS: The people -- there's  
7 a third party here, BLC -- the expert from BLCMD.  
8 But Eric Elbaz and Hila Avidan are part of Teva  
9 Global Compliance. It's a global function. They  
10 happen to sit in Israel. Their -- I don't know  
11 if direct manager, but ultimate manager sits  
12 in the US, Lori Queisser. So it's a global --  
13 global organization that is meant to ensure  
14 the group -- the entities comply with the  
15 requirements.

16 Q. BY MR. CARTMELL: Okay. But --  
17 I understand that.

18 But this is TPI sending auditors  
19 from Israel as a part of their overseeing  
20 Teva USA pharma -- pharmacovigilance; correct?

21 MS. HILLYER: Objection to form.

22 THE WITNESS: And I repeat, these are  
23 TPI employees.

24 Q. BY MR. CARTMELL: Yes.

25 A. They are functioning here as part of

1     their role -- their global role of overseeing  
2     compliance, in this case, pharmacovigilance  
3     compliance in one of the subsidiaries -- one  
4     of the members of the group.

5           Q.     Okay. I want to ask you just a few  
6     things about this.

7                     If you go to page 4, there's some  
8     conclusions from the auditors from TPI who came  
9     from Israel with a -- also with a consultant  
10    that was hired by the company to audit Teva  
11    USA. And it says:

12                    "The safety system in Teva US has  
13    multiple gaps and the reporting of safety  
14    matters to" the "FDA (and by extension other  
15    regulatory agencies in the EU and elsewhere  
16    as well as business partners) cannot be assured."  
17    (As read.)

18                    Do you see that?

19                    MS. HILLYER: Objection to form.

20                    THE WITNESS: I see that.

21           Q.     BY MR. CARTMELL: Okay.

22                    "It is recommended that Teva take  
23    on a global review and upgrading of all" of  
24    "its safety function ensuring that it is in  
25    compliance and that it is scalable as new

1 products and companies are brought in."

2 (As read.)

3 Do you see that?

4 A. I see that.

5 Q. If you go to page 7, it states in the  
6 second paragraph:

7 "Teva Pharmacovigilance is headquartered  
8 at the main site in Israel."

9 Do you see that?

10 A. Yes.

11 Q. (Reading.)

12 "There are local safety offices in  
13 multiple countries around the world. Adverse  
14 events come from clinical trials, post-marketing  
15 reports, business partners, solicited cases, etc.,  
16 and are entered into the global database in Israel,  
17 the US, and Germany."

18 Do you see that?

19 A. Yes.

20 Q. Israel, at TPI, hosts the global adverse  
21 event database; correct?

22 A. Again? Sorry. Can you repeat the --

23 Q. Israel, at TPI, hosts the global database  
24 related to adverse events related to the sales of  
25 its drugs; correct?

1 A. Yes.

2 Q. Including opioids; correct?

3 A. Including all of our products. Yes.

4 Q. Including opioids that are sold in the  
5 United States; correct?

6 A. Yes.

7 Q. Okay. And then if you turn to page 10,  
8 in the third paragraph, it states:

9 "There are SOPs both at the Global level  
10 and at the US level."

11 Do you see that?

12 A. Where does it say -- oh, yeah. Now  
13 I see the paragraph. It's in the middle.

14 Q. And that's consistent with your --  
15 your testimony that TPI creates standard operating  
16 procedures that the subsidiaries, like Teva USA,  
17 are supposed to follow, and at the local level  
18 there are also some -- some standard operating  
19 procedures as well; correct?

20 MS. HILLYER: Objection to form.

21 THE WITNESS: Yes. On these matters,  
22 yes.

23 Q. BY MR. CARTMELL: The global standard  
24 operating procedures that are put in place and  
25 sent to Teva USA Pharmacovigilance are directives

1 by Teva TPI to the local Teva USA; correct?

2 A. Yes.

3 Q. And the local-level Teva Pharmacovigilance  
4 is expected to follow those directives; correct?

5 A. Yes. That's why they're limited in  
6 nature.

7 Q. If you go to page 21. I'm under:  
8 "Quality/Compliance/Quality Management  
9 System."

10 And -- and this is written by the  
11 consultant that was hired by TPI to do the  
12 audit with the Israel employees; correct?

13 MS. HILLYER: Objection. Beyond  
14 the scope. And assumes facts not in evidence.

15 MR. CARTMELL: I'll withdraw it.  
16 It's not important.

17 Q. BY MR. CARTMELL: Under "Quality/  
18 Compliance/Quality Management System," it  
19 states in the second sentence:

20 "In discussion with DS and with Mr.  
21 Arthur Hand, Director, QA R & D, the Americas,  
22 it became clear that quality monitoring of"  
23 pharmacovigilance, "particularly for marketed  
24 products, resides in Israel." (As read.)

25 Do you see that?

1 A. Yes.

2 Q. And that's true, is it not?

3 A. I don't know if, as of 2011, that  
4 was true. It says this is their findings.

5 Q. You have no reason to dispute that?  
6 Fair enough?

7 MS. HILLYER: Objection to form.

8 THE WITNESS: This is what it says.

9 Q. BY MR. CARTMELL: It then states:  
10 "There is no one in the US handling"  
11 pharmacovigilance "quality." (As read.)

12 Do you see that?

13 A. Yes.

14 Q. Below, it states:

15 "Mr. Arthur Hand was interviewed.  
16 He notes that he and his group have no duties  
17 in regard to DS or" pharmacovigilance. "He  
18 indicated that" pharmacovigilance "quality,  
19 both for clinical trial and post-marketing, is  
20 handled in Israel by Global Quality/Compliance."  
21 (As read.)

22 Do you see that?

23 A. Yeah.

24 Q. And that's true even for the opioid  
25 products that Teva USA was selling in the United

1 States; correct?

2 A. I have no information to -- to state  
3 that it's correct or not. This is what it says.

4 Q. You don't know, though; is that fair?

5 A. Yes.

6 Q. Then on the next page, at the top, it  
7 states:

8 "We interviewed Tal Kleinfeld in Israel  
9 by phone."

10 Do you see that?

11 A. Yes.

12 Q. And so they actually called Israel  
13 to talk to somebody in the Pharmacovigilance  
14 department at TPI; correct?

15 MS. HILLYER: Objection. Beyond the  
16 scope.

17 THE WITNESS: She is -- can you repeat  
18 or rephrase the question?

19 Q. BY MR. CARTMELL: I was just saying  
20 this reflects they actually called Israel and  
21 TPI and the Pharmacovigilance department, and  
22 a woman named -- or a man named Tal Kleinfeld;  
23 correct?

24 MS. HILLYER: Objection. Beyond the  
25 scope.

1 THE WITNESS: That's what it says here.

2 Yes.

3 Q. BY MR. CARTMELL: Okay.

4 A. That's what it says.

5 Q. Yeah, "she." Sorry about that.

6 "She is head of Global PV Compliance.

7 She confirmed that there is no US" pharmacovigilance

8 "compliance group. She indicates that her group" --

9 And that would be in Israel.

10 -- "monitors the timely compliance of

11 submissions to FDA and other health authorities

12 with monthly compliance reports on late submissions

13 and that CAPAs" --

14 Which stands for "corrective and

15 preventive action plans."

16 -- "are performed on all late expedited

17 cases." (As read.)

18 Do you see that?

19 A. Yes.

20 Q. Is that consistent with your understanding

21 of Teva -- or strike that. Strike that.

22 Is that consistent with your understanding

23 of TPI's involvement in the pharmacovigilance

24 related to opioids and the other medications

25 it sends -- or it sells?

1 MS. HILLYER: Objection to form.

2 THE WITNESS: According to this report,  
3 this is the situation that existed as of May '11.

4 Q. BY MR. CARTMELL: And does -- does it  
5 still exist today?

6 MS. HILLYER: Objection to form.

7 THE WITNESS: They have gone through  
8 several restructuring. I believe now they are  
9 structured more -- more similarly to other global  
10 functions, meaning there'll be local people and  
11 there'll be regional people and global people.

12 Q. BY MR. CARTMELL: Okay. We'll talk  
13 about that in a minute. It -- it then states:

14 "Her group" --

15 Meaning TPI in Israel.

16 -- "monitors ongoing training efforts  
17 in" pharmacovigilance. (As read.)

18 Do you see that?

19 A. Where does it say that?

20 Oh, yeah. I see that.

21 Q. So this report, this audit that  
22 was done by TPI and its consultant in 2011 is  
23 making it clear that TPI Pharmacovigilance is  
24 very involved in the day-to-day pharmacovigilance  
25 of even opioid sales in the United States;

1 correct?

2 MS. HILLYER: Objection to form.

3 THE WITNESS: I cannot attest to  
4 opioids or not. But it -- it shows that, as  
5 of this time, the pharmacovigilance compliance  
6 was done from Israel.

7 Q. BY MR. CARTMELL: And it even says  
8 that they are actually monitoring the compliance  
9 of submissions to the FDA by Teva USA; correct?

10 MS. HILLYER: Objection to the form.

11 THE WITNESS: That's what it says.

12 Q. BY MR. CARTMELL: If you turn to page  
13 29, under "Literature Cases" -- and it's true,  
14 is it not, sir, that one of the ways that a  
15 company like Teva USA or any company that sells  
16 opioids can find out about adverse events associated  
17 with the opioid or the medication is by looking  
18 at the literature? Is that true?

19 MS. HILLYER: Objection. Beyond the  
20 scope.

21 THE WITNESS: I'm not an expert on how  
22 pharmacovigilance is conducted. But from personal  
23 knowledge, I know that this is true.

24 Q. BY MR. CARTMELL: Okay. And it states  
25 under this:

1 "All literature searching is done in  
2 Israel."

3 Do you see that?

4 A. I see that.

5 Q. (Reading.)

6 "No local US/Canadian journals are  
7 searched."

8 Do you see that?

9 A. I see that.

10 Q. And then it states below in the  
11 second-to-last line -- or third-to-last line:

12 "Cases from Israel arrive weekly in  
13 the e-mail box on Mondays."

14 Do you see that?

15 A. Yes.

16 Q. So that is TPI in Israel involved heavily  
17 in the day-to-day operations of pharmacovigilance  
18 related to all of the medications sold in the  
19 United States; correct?

20 MS. HILLYER: Objection to form.

21 Mischaracterizes the document.

22 THE WITNESS: Yeah, I don't see where  
23 it says -- it says:

24 "Cases from Israel arrive weekly."

25 I don't see where --

1 Q. BY MR. CARTMELL: Well, they're sent  
2 to the US, aren't they?

3 MS. HILLYER: Objection. Assumes facts  
4 not in evidence. And beyond the scope.

5 Q. BY MR. CARTMELL: Do you see that?

6 A. Okay. Yeah. Need to read the entire  
7 paragraph to get -- to understand what's going  
8 on here.

9 So Amelita Jacobo, as I see it here,  
10 supposedly in the US -- because it doesn't say.  
11 And we just said everything is done in Israel.  
12 So --

13 Q. Okay.

14 A. -- she may very well be in Israel.  
15 I'm not sure I understand how you draw these  
16 conclusions from what is in here.

17 Q. Okay. Turn to 41, if you would,  
18 please. It states:

19 "Signaling."

20 During your work in this case, or  
21 based on your personal experience, do you  
22 understand that one of the requirements of a  
23 company selling opioids or any other medication  
24 on the market in the United States is that they  
25 are supposed to continue assessing and searching

1 for adverse events related to their medication  
2 and to look for safety signals?

3 MS. HILLYER: Objection to form  
4 and beyond the scope.

5 THE WITNESS: I'm no expert on --  
6 especially not on post-approval compliance.  
7 But I know of what are commonly called Phase  
8 4, meaning safety testing beyond approval of  
9 the FDA.

10 Q. BY MR. CARTMELL: Okay. It states:  
11 "Liat Fleishon (a physician) in Israel" --  
12 Liat Fleishon's an employee of Teva --  
13 of TPI; is that correct? Or was at that time?

14 MS. HILLYER: Objection to the extent  
15 it's beyond the scope.

16 THE WITNESS: I presume.

17 Q. BY MR. CARTMELL: Okay. It states:  
18 "She does signaling for Teva products."  
19 Sir, did you know that as of this time  
20 when Teva USA was sending -- excuse me -- was  
21 selling opioids in the United States, that the  
22 pharmacovigilance work related to signaling or  
23 safety signals on opioids was done by TPI in  
24 Israel?

25 MS. HILLYER: Objection. Assumes

1 facts not in evidence.

2 THE WITNESS: I learned this from  
3 the report. It appears to be so.

4 Q. BY MR. CARTMELL: And then if you turn  
5 to page 42, under "Overall Comments and Conclusion,"  
6 it states:

7 "The safety system in Teva US is largely  
8 out of control and the reporting of safety matters  
9 to" --

10 A. Where is that?

11 MS. HILLYER: Where are you?

12 Q. BY MR. CARTMELL: I'm sorry. Under  
13 "Overall Comments and Conclusion." I'll start  
14 over.

15 Sir, if you look under "Overall Comments  
16 and Conclusion," the second paragraph by the audit  
17 that TPI did, it states:

18 "The safety system in Teva US is largely  
19 out of control and the reporting of safety matters  
20 to FDA (and by extension other regulatory agencies  
21 and business partners) cannot be assured."

22 Do you see that?

23 A. Yes.

24 Q. Okay. Then on the next page, 43, in --  
25 the second paragraph states:

1 "PV" --

2 Or "pharmacovigilance."

3 -- "compliance resides in Israel;

4 Global" Pharmacovigilance "may want to consider

5 having a representative of this function in

6 the US in Horsham." (As read.)

7 A. Where?

8 MS. HILLYER: He -- he's not following

9 you.

10 MR. CARTMELL: Okay. I'll slow down.

11 THE WITNESS: Okay. Okay.

12 MS. HILLYER: You've got to slow down.

13 Q. BY MR. CARTMELL: Let me start over.

14 And then it states in the second

15 paragraph:

16 Pharmacovigilance "compliance resides

17 in Israel. Global" Pharmacovigilance "may want

18 to consider having a representative of this

19 function in the US in Horsham." (As read.)

20 Do you see that?

21 A. Yes.

22 Q. (Reading.)

23 "A full Quality Management System

24 should be put in place" --

25 (Court reporter clarification.)

1 Q. BY MR. CARTMELL: Sorry.

2 "A full Quality Management System  
3 should be put in place as this is now expected  
4 and required by FDA and the EU."

5 Do you see that?

6 A. Yes.

7 (Exhibit 48 marked.)

8 Q. BY MR. CARTMELL: I'm going to hand  
9 you what's been marked as Exhibit 49 [sic].

10 MS. HILLYER: 48.

11 MR. CARTMELL: 48. I'm sorry.

12 Q. BY MR. CARTMELL: Mr. Herman, this  
13 is an e-mail from Hedva Voliovitch to several  
14 other people.

15 Who is Hedva Voliovitch?

16 A. (Examining.) She was the head of  
17 Global Pharmacovigilance.

18 Q. And she was a TPI employee; correct?

19 A. Yes.

20 Q. Residing in Israel and working in Israel;  
21 correct?

22 A. Yes.

23 Q. Okay. And she was the head of the Safety  
24 and Pharmacovigilance department at TPI in Israel?

25 Is that your memory?

1 MS. HILLYER: Objection to form.

2 THE WITNESS: She's a TPI employee, and  
3 she is the global -- global role, as we discussed  
4 before, Drug and Safety and Pharmacovigilance  
5 divisions.

6 Q. BY MR. CARTMELL: If you look at the  
7 attached PowerPoint that was produced in this  
8 litigation. This is from March of 2012, and it  
9 says:

10 "Introduction to Teva Global Drug Safety  
11 & Pharmacovigilance."

12 Do you see that?

13 A. Yes.

14 Q. And I want to ask you a few questions  
15 about this PowerPoint put together and presented  
16 by Ms. Voliovitch. Under Teva -- page 5, "Teva  
17 Pharmacovigilance Mission" is:

18 "To detect and assess safety issues  
19 that involve Teva products, in order to minimize  
20 the risk to patients and Teva and support Teva's  
21 leadership position in the generic and branded  
22 business."

23 Do you see that?

24 A. Yes.

25 Q. And that's consistent with what we

1       talked -- talked about previously; correct?

2                   MS. HILLYER:  Objection to form.

3                   THE WITNESS:  Yes.  In general  
4       pharmacovigilance purposes.

5           Q.     BY MR. CARTMELL:  If you turn to page  
6       7, it talks about levels of responsibility.  And  
7       I want to ask you about this.  But in the middle  
8       is the "Local" entity.

9                   That would be like Teva USA; correct?

10          A.     Yes.

11          Q.     And then, as you discussed, sometimes  
12       there would be -- and I guess there was in --  
13       in pharmacovigilance a regional entity?

14          A.     Regional --

15                   MS. HILLYER:  Objection to form.

16                   THE WITNESS:  Region -- regional  
17       oversight.  There's no entity.

18          Q.     BY MR. CARTMELL:  Okay.

19          A.     But it's oversight.

20          Q.     In this case, do you know if Teva USA --  
21       well, strike that.

22                   I think we'll get to it in another --  
23       in another slide.

24                   And then the biggest blue circle is:

25                   "Global."

1 Do you see that?

2 A. Yes.

3 Q. And that's, in this case, TPI; correct?

4 MS. HILLYER: Objection to form.

5 THE WITNESS: No.

6 Q. BY MR. CARTMELL: No?

7 A. No.

8 Q. Okay. We'll get to that in a -- in  
9 a slide.

10 You -- you don't think that "Global"  
11 here means TPI?

12 MS. HILLYER: Well, objection to the  
13 extent he knows nothing about this document.  
14 He's had all of ten seconds with it, and you're  
15 asking him to interpret it. He's testified about  
16 what he thinks "Global" means in a pharmacovigilance  
17 sense.

18 MR. CARTMELL: Okay. As of -- as of --  
19 let me re-state it, then. That's a good objection.

20 Q. BY MR. CARTMELL: In March of 2012,  
21 do you know whether the responsibility listed  
22 under "Global" included TPI's responsibility  
23 for pharmacovigilance of medications sold in  
24 the US and elsewhere?

25 MS. HILLYER: Objection to form.

1 THE WITNESS: First, this slide does  
2 not depict any -- it says -- it has names of  
3 areas of domains of operation.

4 Q. BY MR. CARTMELL: I'm just asking if  
5 you know --

6 MS. HILLYER: Let him -- Tom, let him  
7 finish.

8 Q. BY MR. CARTMELL: It doesn't say what  
9 that --

10 MS. HILLYER: Tom, let him finish.  
11 You're cutting him off.

12 THE WITNESS: There are domains of  
13 activities within the pharmacovigilance world  
14 and then there are circles. No -- nothing in  
15 this slide tells me what is done where. And  
16 "Global" in Teva does not mean TPI. "Global"  
17 means people who have oversight beyond their  
18 specific country.

19 Q. BY MR. CARTMELL: Okay. I think --  
20 I think -- at any rate, sir, this has three  
21 levels of responsibility.

22 The largest circle here refers to  
23 "Global"; correct?

24 A. The largest circle says "Global." Yes.

25 Q. Okay. If you turn the page, there's

1 an organizational chart.

2 Do you see that?

3 A. Yes.

4 Q. And at the head of the organization  
5 for pharmacovigilance in this PowerPoint put  
6 out by TPI's employee Ms. Voliovitch is:

7 "Global Drug Safety and"  
8 Pharmacovigilance, "Hedva Voliovitch."  
9 (As read.)

10 Correct?

11 A. Yes.

12 Q. Okay. And then there are several  
13 regionals that report up to her; correct?

14 A. Yes.

15 Q. Okay. At least as of this time,  
16 the leader of the pharmacovigilance organization  
17 is a Teva Ltd. employee; correct?

18 A. Yes, because she happened to reside  
19 in Israel.

20 Q. Okay. Well, she's an Israeli --  
21 strike that.

22 She's a TPI employee?

23 A. Because she happens to reside in --  
24 in Israel.

25 Q. Are you testifying that because she

1     resides -- she's only an employee at TPI because  
2     she resides in Israel?

3           A.     Yes.

4           Q.     So your testimony is that, if people  
5     reside in Israel, that is the reason they become  
6     employees of TPI?

7           A.     No.

8           Q.     Okay. But -- so it's clear, I'm just  
9     asking this question and this question only.

10                  Your testimony is that Hedva Voliovitch  
11     was only an employee of TPI because she resided  
12     in Israel?

13           A.     Had she been residing elsewhere,  
14     she would have been an employee of the local  
15     entity in which she resides, same as Carlo de  
16     Notaristefani and Harfun and other people we  
17     were talking about.

18           Q.     She was never an employee of anyone  
19     other than Teva Ltd. or Teva TPI; correct?

20           A.     Correct.

21           Q.     Okay. When she was working in her --  
22     this course and scope of her employment with  
23     TPI in pharmacovigilance, she was working as  
24     a TPI employee; correct?

25           A.     Yes.

1 MS. HILLYER: Objection to form.

2 THE WITNESS: Yes.

3 Q. BY MR. CARTMELL: If you turn to page  
4 24, it refers to the signal detection process  
5 that we talked about a minute ago.

6 Do you see that?

7 MS. HILLYER: Hold on. I'm not there  
8 yet. Okay.

9 THE WITNESS: Yes.

10 Q. BY MR. CARTMELL: It states the:  
11 "Process is described in Global"  
12 Pharmacovigilance "SOP 50.11.13." (As read.)

13 Do you see that?

14 A. Yes.

15 Q. And that is a TPI SOP; correct?

16 MS. HILLYER: Objection to form.

17 THE WITNESS: This is a Global  
18 Pharmacovigilance SOP.

19 (Court reporter clarification.)

20 THE WITNESS: This is a Global  
21 Pharmacovigilance SOP.

22 Q. BY MR. CARTMELL: And the SOP was  
23 put together by TPI; correct?

24 A. I don't know who puts it together.  
25 But it was authorized by Hedva Voliovitch, who

1 was at the time a TPI -- was a TPI employee.

2 Q. The -- the page 41, which I think  
3 is the next-to-last page of Ms. Voliovitch's  
4 PowerPoint, states:

5 Pharmacovigilance "is a Shared  
6 Responsibility." (As read.)

7 Do you see that?

8 A. Yes.

9 Q. Based on your review of this PowerPoint  
10 or your knowledge of the responsibilities and  
11 duties of TPI for pharmacovigilance at this  
12 time in 2012, do you believe that part of that  
13 responsibility for pharmacovigilance was TPI's?

14 MS. HILLYER: Objection to form.

15 THE WITNESS: Given the very broad  
16 nature of this slide, it can mean so many things.  
17 I probably need Hedva to say what she meant when  
18 she put this visual and this very broad definition.  
19 What is shared responsibility? Who shares what  
20 with whom?

21 So I'm trying to look back to see perhaps  
22 this is a conclusion of something that was in the  
23 presentation that can tell us what she meant when  
24 she said "shared responsibility."

25 Q. BY MR. CARTMELL: Well, you think it has

1 to do with the slide that we looked at that had the  
2 three rings that said "Levels of Responsibility"?

3 MS. HILLYER: Objection to form.

4 THE WITNESS: I have no idea what she  
5 meant --

6 MR. CARTMELL: Okay.

7 THE WITNESS: -- when she said "shared  
8 responsibility." She could mean so many things.

9 (Exhibit 49 marked.)

10 Q. BY MR. CARTMELL: All right. Let's  
11 move on. I'll hand you Exhibit 49. This was  
12 a document from Teva's files that was produced  
13 in this litigation. You'll see that the first  
14 page is an e-mail from Tal Kleinfeld to several  
15 individuals.

16 Do you see that?

17 A. (Examining.) Yes.

18 Q. Hedva Voliovitch, that we just talked  
19 about, is cc'd on this; correct?

20 A. Yes.

21 Q. And this was in 2010?

22 A. Yes.

23 MR. CARTMELL: Just to save time, I'm  
24 going to mark another exhibit, 8027.

25 (Exhibit 50 marked.)

1 Q. BY MR. CARTMELL: I'm going to hand  
2 you Exhibit 50 as well.

3 Exhibit 49, if you turn the page,  
4 you'll see that this is a Teva corporate  
5 policy.

6 A. (Examining.) Yes.

7 Q. (Reading.)

8 "Teva Pharmaceutical Industries Ltd."

9 Do you see that?

10 A. Yes.

11 Q. So this is a policy from the parent  
12 corporation, TPI; correct?

13 A. Yes.

14 Q. Prepared by TPI. And a policy --  
15 standard operating policy that is provided  
16 to subsidiaries like Teva USA and directives  
17 to them that they're expected to follow;  
18 correct?

19 MS. HILLYER: Objection to form.

20 THE WITNESS: Yes.

21 Q. BY MR. CARTMELL: The name of this  
22 policy is:

23 "Safety Information on Company Products."

24 And down below you'll see, next to  
25 "Domain" in the middle, it says:

1 "Pharmacovigilance."

2 Do you see that?

3 A. Yes.

4 Q. This is a policy in April of 2010.

5 Do you see that?

6 A. Yes.

7 Q. And this is signed actually by two  
8 employees of TPI; right?

9 A. Yes.

10 Q. And if -- if you go to the next page,  
11 I want to refer you to some terms in this policy.  
12 It states under "Purpose":

13 "It is the intention of Teva to optimize  
14 the benefit/risk balance of Teva's medicinal  
15 products and devices, facilitate early action  
16 to address safety issues and thereby contribute  
17 to patient safety and public health and to  
18 maintain worldwide regulatory compliance."

19 Do you see that?

20 A. Yes.

21 Q. And then it says, 1.2:

22 "All decisions taken in response to  
23 safety issues by Teva Global Drug Safety and  
24 Pharmacovigilance (Global" Pharmacovigilance)  
25 "are binding worldwide for the Teva group products.

1 The implementation of these decisions must be  
2 given highest priority by each Teva affiliate."

3 (As read.)

4 Do you see that?

5 A. Yes.

6 Q. Okay. This policy gives Teva Global  
7 Drug Safety and Pharmacovigilance the authority  
8 to make binding decisions related to safety  
9 information of its products -- or of Teva  
10 products being sold in the US; correct?

11 MS. HILLYER: Objection to form to  
12 the extent this is beyond the scope.

13 THE WITNESS: Decisions on products  
14 worldwide, yes.

15 Q. BY MR. CARTMELL: Including opiate  
16 sales in the United States; correct?

17 MS. HILLYER: Same objection.

18 THE WITNESS: It will include all  
19 products sold by all Teva subsidiaries worldwide.

20 Q. BY MR. CARTMELL: Including opioids;  
21 correct?

22 A. Yes.

23 Q. Okay. And then on the second page --  
24 or page 3 of 4, actually, it states:

25 "Safety Assessment."

1 And it has:

2 "Global" Pharmacovigilance "has the  
3 following responsibilities." (As read.)

4 Do you see that?

5 A. Yes.

6 Q. And these are the responsibilities  
7 at this time, in 2010, that were responsibilities  
8 of TPI; correct?

9 A. Responsibilities of Global  
10 Pharmacovigilance, you mean.

11 Q. Which was at TPI at this time; correct?

12 MS. HILLYER: Objection to form.

13 Q. BY MR. CARTMELL: Or do you know?

14 A. The -- 2010, I'm not sure.

15 By 2012, as we could see from the  
16 presentation, pharmacovigilance was all over  
17 the globe. So --

18 Q. Global Pharmacovigilance, as of this  
19 time, was headed up by TPI employee Ms. Voliovitch;  
20 correct?

21 A. Yes.

22 Q. And so when -- and I meant to ask you.  
23 But when this policy says that the decisions are  
24 binding by Teva Global, Ms. Voliovitch, a TPI  
25 employee, was the head of that group; correct?

1 MS. HILLYER: Objection to form.

2 THE WITNESS: Yes.

3 Q. BY MR. CARTMELL: And she would be  
4 granted the authority to make binding decisions  
5 on Teva USA related to safety information;  
6 correct?

7 A. Yes. According to this policy, yes.

8 Q. Okay. I've handed you Exhibit 50  
9 and -- and it is essentially the same policy  
10 that had been revised in 2016.

11 You'll see that it's also a corporate  
12 policy that comes from TPI; correct?

13 A. (Examining.) Yes.

14 Q. And these are directives from TPI  
15 to Teva USA and the other subsidiaries that  
16 they are directed to follow; correct?

17 MS. HILLYER: Objection to form.

18 THE WITNESS: Yes.

19 (Exhibit 51 marked.)

20 Q. BY MR. CARTMELL: Okay. Okay. I'm  
21 going to hand you what's been marked as Exhibit  
22 51. This is an e-mail that was produced in this  
23 case from Teva's files. It's just a one-page --  
24 or two-page e-mail, front and back. If you start  
25 on the second page, there is an e-mail from --

1 is it Michael Gati or Michal?

2 A. Michal.

3 Q. Michal Gati.

4 MS. HILLYER: "Michal."

5 MR. CARTMELL: "Michal."

6 MS. HILLYER: "Chal."

7 MR. CARTMELL: "Michal."

8 MS. HILLYER: Good luck.

9 Q. BY MR. CARTMELL: Who is -- is --  
10 strike that.

11 Mr. Gati is a Teva Pharmaceutical  
12 Industries employee residing in Israel; correct?

13 A. Yes.

14 Q. And at this time, in 2010, he's talking  
15 about doing signal detection from Israel; correct?

16 A. Let me read it and I'll tell you.

17 (Examining.)

18 Q. He says:

19 "Hi. During the signal detection review  
20 of March 2010, we noticed a new case of breakthrough  
21 pain on fentanyl. Medical reviewer (Liat)" --

22 Liat was also a Teva Pharmaceutical Ltd.  
23 employee; correct?

24 A. I don't know. Could be. It doesn't  
25 have the details here.

1 Q. (Reading.)

2 "Medical reviewer (Liat) asked that  
3 this case will be forwarded to the" Quality  
4 Assurance department. (As read.)

5 Do you see that?

6 A. Yes.

7 Q. And do you understand that this  
8 actually involves a signal detection exercise  
9 being done on an opioid-containing product,  
10 a fentanyl product?

11 Do you see that?

12 A. I see that.

13 Q. If you go to the front page, Dennis  
14 Miley, who's a Teva USA employee, actually  
15 responds -- responds to Tal Kleinfeld.

16 Do you know him?

17 A. No. But she was mentioned before.

18 Q. Hedva Voliovitch, who's at TPI in  
19 Israel, was on here as a carbon copy.

20 Do you see that?

21 A. Yes.

22 Q. And it says:

23 "Liat is asking that breakthrough pain  
24 on an analgesic be sent to" Quality Assurance  
25 "for investigation. Our current practice is to

1 send only cases reported as lack of effect to"  
2 Quality Assurance. "We code event reported and  
3 do not conclude lack of effect unless reporter  
4 states drug did not work, etc." (As read.)

5 And then it explains what that is  
6 akin to. And it says at the bottom:

7 "Do you want us to change procedures?"  
8 Do you see that?

9 A. Yes.

10 Q. This is an example related to a safety  
11 investigation of an opioid where Teva USA is  
12 asking Teva Pharmaceuticals [sic] Ltd. if they  
13 want -- if Teva Pharmaceutical Ltd. wants them  
14 to change their procedures; correct?

15 MS. HILLYER: Objection. Mischaracterizes  
16 the document.

17 THE WITNESS: This is a person -- the  
18 initial signature does not identify Dennis Miley  
19 with her position. But this is a person in,  
20 I would assume, Teva USA talking to a -- to  
21 her professional community, asking whether  
22 the procedures should be changed. Given the  
23 description here, it's too technical for me  
24 to understand. But yes, this is her asking  
25 whether the procedures are adequate given the

1 new facts.

2 Q. BY MR. CARTMELL: Right. And -- and  
3 TPI employees in Pharmacovigilance, who she is  
4 asking, have the authority to set the procedures;  
5 correct?

6 MS. HILLYER: Objection to form.

7 THE WITNESS: I cannot tell. But Tal,  
8 Hedva Voliovitch, at this point in time this was  
9 written, had the authority, based on the SOP, to  
10 determine what the right procedures are. And the  
11 subsidiaries comply with the requirements.

12 Q. BY MR. CARTMELL: Right. At this time  
13 at least, and related to the signal detection with  
14 opioids, Hedva, the TPI employee and head of the  
15 Pharmacovigilance in the companies, was given the  
16 authority to set the procedures; correct?

17 A. Yes.

18 (Exhibit 52 marked.)

19 Q. BY MR. CARTMELL: Let me hand you what's  
20 been marked as Exhibit 52.

21 MS. HILLYER: We've been going about an  
22 hour again. Do you want to break here or do one  
23 more document? Depending on how long you have  
24 on that one.

25 MR. CARTMELL: How long what?

1 MS. HILLYER: I don't know how long  
2 you have on that one.

3 MR. CARTMELL: Let me see real quick --

4 MS. HILLYER: Yeah.

5 MR. CARTMELL: -- and I can tell you.

6 Can we finish one more? It'll be about  
7 five minutes.

8 Q. BY MR. CARTMELL: Exhibit 52 -- hand  
9 you, sir, Exhibit 2 [sic], which are --

10 MS. HILLYER: 52.

11 Q. BY MR. CARTMELL: -- 52 -- excuse me --  
12 which are documents produced in this litigation  
13 by Teva. And it is an e-mail from Susan Larijani  
14 to several others. And it has a PowerPoint attached  
15 to it that I want to ask you a few questions about.

16 MS. HILLYER: Take your time.

17 THE WITNESS: (Examining.)

18 Q. BY MR. CARTMELL: But before I do that,  
19 just on -- I'm sorry. If you can go back.

20 Before I do that, this e-mail from Susan  
21 Larijani to several others -- and I will represent  
22 to you that they are representatives in Teva USA.  
23 The attachment is:

24 "Pharmacovigilance Training."

25 And it states:

1 "Mark and Team, slides for the training.  
2 Please distribute."

3 Do you see that?

4 A. I see that.

5 Q. If you then look at the slides attached  
6 titled:

7 "What is Pharmacovigilance all About?"

8 Do you see that?

9 A. Yes.

10 Q. This is in 2014; correct?

11 A. This is 2014. Yes.

12 Q. Turn to page 10.

13 Part of this training was on situations  
14 where employees of Teva USA would need to report  
15 adverse events related to drugs; correct?

16 MS. HILLYER: Objection to the extent  
17 this is beyond the scope.

18 THE WITNESS: This is what it appears  
19 to be.

20 Q. BY MR. CARTMELL: If you look down in  
21 the right-hand corner, this is a document prepared  
22 by Global Patient Safety & Pharmacovigilance;  
23 correct?

24 MS. HILLYER: Objection. Assumes  
25 facts not in evidence. It calls for speculation.

1 THE WITNESS: That's what it says.

2 Q. BY MR. CARTMELL: And at this time,  
3 Global Patient Safety & Pharmacovigilance was  
4 headed up by Hedva Voliovitch, who was a TPI  
5 employee; correct?

6 A. 2014? I believe so, yeah.

7 Q. And this says that adverse events  
8 needed to be reported when there's an overdose  
9 with a medication, a drug diversion, drug abuse,  
10 drug mis-use, or off-label use.

11 Do you see that?

12 MS. HILLYER: Objection. Mischaracterizes  
13 the document and beyond the scope.

14 MR. CARTMELL: Why is that  
15 mischaracterizing?

16 MS. HILLYER: It just says -- it  
17 just lists things. You're saying that this  
18 is -- the document says that when -- that an  
19 adverse event needs to be reported. That page  
20 doesn't say that.

21 MR. CARTMELL: It says it.

22 MS. HILLYER: Then show him where.  
23 But either way, it's still beyond the scope.

24 Q. BY MR. CARTMELL: Okay. If you go  
25 back to page 6, it talks about what an adverse

1 event is.

2 Do you see that?

3 A. Yes.

4 Q. And then there's examples of adverse  
5 events on page 7; correct?

6 A. Yes.

7 Q. And then on page 8, there's serious  
8 adverse events, and it defines what those are  
9 and gives examples of that.

10 Do you see that?

11 A. Yes.

12 Q. The next page is -- is still additional  
13 examples of serious adverse events; right?

14 A. Yes.

15 Q. And then there's -- the next page,  
16 page 10:

17 "Special Situations."

18 And it lists several things, including  
19 "Overdose," "Drug abuse," "Drug mis-use," "Off-label  
20 use."

21 Do you see that?

22 A. I see that. I don't see the -- it  
23 don't [sic] logically follow from the previous  
24 slides; right?

25 Q. It doesn't.

1           A.     It talks about adverse effects,  
2     and then it talks about special situations.  
3     I don't know.

4           Q.     Do you know if these are special  
5     situations that was -- training being given  
6     to Teva USA about situations when an adverse  
7     event report should be made?

8                     MS. HILLYER:  Objection.  Beyond the  
9     scope.

10          Q.     BY MR. CARTMELL:  Is that what you  
11     assume?  Or do you know?

12          A.     I have been through similar training,  
13     because these trainings are done throughout the  
14     Teva group to every employee with the idea --  
15     and this may be what Hedva was referring back  
16     then as "shared responsibility."  The idea is  
17     that all employees of Teva, because they are  
18     also parents and family members, are exposed --  
19     or potentially exposed to adverse effects of  
20     drugs.

21                     And we can be ambassadors, and we can  
22     be -- and we need to know that we can bring this  
23     to the Pharmacovigilance.  And, therefore, this  
24     training repeated -- it's repeated every once in  
25     a while, telling us -- explaining to us what are

1     adverse events, what are the kind of things to  
2     look for.

3                     This is meant beyond the professional  
4     community of pharmacovigilance. This is meant  
5     for the broader audience of Teva employees.  
6     And so they're listings of all sort of things.  
7     I don't know what "special situations" are.  
8     Because this usually is accompanied by someone  
9     talking --

10            Q.     I understand.

11            A.     -- through the slides.

12            Q.     Well, for example, if you go to page  
13     16, one of these things is "Abuse" that's listed  
14     here. If you go to page 16, it further defines  
15     abuse. And it talks about, fourth bullet point:

16                     "Important to collect for certain REMs  
17     programs such as an opioid that has potential  
18     for abuse."

19                     Do you see that?

20            A.     Yes.

21            Q.     And this is talking specifically about,  
22     with opioids, it's important to turn in or report  
23     adverse events related to abuse?

24                     MS. HILLYER: Objection. This is way  
25     beyond the scope. And I'm going to object to

1 form.

2 Q. BY MR. CARTMELL: Do you see that?

3 A. That's what it says.

4 Q. And if you go to page 24, in this  
5 training that is given to Teva USA employees  
6 from the Global Patient Safety & Pharmacovigilance  
7 group, it states:

8 "Why Do You Have to Report" Adverse  
9 Events? (As read.)

10 That's a -- a question to employees;  
11 correct?

12 MS. HILLYER: Objection. Beyond the  
13 scope and calls for speculation.

14 Q. BY MR. CARTMELL: Do you see that?

15 A. Yes. I see that.

16 Q. It states:

17 "Why Do You Have to Report" Adverse  
18 Events? (As read.)

19 The first bullet point is:

20 "There is a Teva corporate policy about  
21 safety information on company products."

22 Do you see that?

23 A. Yes.

24 Q. That's a directive from TPI that you  
25 have to report adverse events because corporate

1       says so in their policies; correct?

2                   MS. HILLYER:  Objection to form.

3       Mischaracterizes the document.

4           Q.     BY MR. CARTMELL:  That's what it says?

5           A.     That's what it says.

6           Q.     Okay.

7                   MR. CARTMELL:  We can take a break.

8                   THE VIDEOGRAPHER:  The time is 5:03 p.m.

9       We're now off the record.

10                   (Recess from 5:03 p.m. to 5:24 p.m.)

11                   THE VIDEOGRAPHER:  The time is 5:24 p.m.

12       We are back on the record.

13           Q.     BY MR. CARTMELL:  Mr. Herman, we're back  
14       on the record after a short break.

15                   Are you ready to proceed?

16           A.     Yes.

17                   (Exhibit 53 marked.)

18           Q.     BY MR. CARTMELL:  I've handed you  
19       Exhibit 53, which is a document -- you'll see  
20       it's a PowerPoint presentation -- or, actually,  
21       it's a brochure that was produced from Teva's  
22       files in this case.  And you'll see, in the top  
23       left hand, it says:

24                   "Teva Pharmaceutical Industries Ltd."

25                   Do you see that?

1           A.     (Examining.)   Yes.

2                   MS. HILLYER:   Tom, do you have a Bates  
3   number or a cover document for this?

4                   MR. CARTMELL:   Oh, I'm sorry.   Strike  
5   all that.

6                   MS. HILLYER:   All right.

7                   MR. CARTMELL:   I've been told it's from  
8   the Internet.

9                   MS. HILLYER:   Okay.

10           Q.    BY MR. CARTMELL:   Okay.   Mr. Herman,  
11   I've handed you Exhibit 53.   This is a document  
12   that we obtained from the Internet, actually,  
13   in this case.   And this is a Teva Pharmaceutical  
14   Industries Ltd. document titled:

15                    "Innovating for Better Health, Teva  
16   2014 Global Citizenship Report."

17                   Do you see that?

18           A.    Yes.

19           Q.    Are you familiar with this document?

20           A.    I've seen it before.

21           Q.    Okay.   I -- I just want to ask you  
22   a question or two on page 32 of this -- this  
23   document.

24                   Is this a marketing document?

25                   MS. HILLYER:   Objection to form and

1 to the extent this is beyond the scope.

2 THE WITNESS: It is not meant to market  
3 any products or services. It is meant to promote  
4 our image --

5 Q. BY MR. CARTMELL: Okay.

6 A. -- as a group of companies.

7 Q. It states at page 32:

8 "Maintaining world-class  
9 pharmacovigilance."

10 And we've been talking about  
11 pharmacovigilance at TPI; correct?

12 A. We were talking about pharmacovigilance  
13 across the Teva group.

14 Q. And in the second paragraph, it states:

15 "In 2014, our pharmacovigilance unit  
16 improved current safety monitoring processes.  
17 We also expanded our internal communication"  
18 and "pharmacovigilance-related matters. And  
19 our internal" pharmacovigilance "portal currently  
20 has almost 400 users who join monthly discussions  
21 on patient safety and" pharmacovigilance.

22 (As read.)

23 Do you see that?

24 A. I see that.

25 Q. The internal portal that's being

1 discussed there is a TPI portal hosted out  
2 of Israel; correct?

3 A. I don't know. It may be hosted out  
4 of any --

5 Q. You don't know --

6 A. -- subsidiary. I don't know where  
7 it's hosted.

8 Q. Okay. It states:

9 "Our Corporate Safety Board (CSB)  
10 that includes our Chief Medical Officer and  
11 senior managers in our global patient safety  
12 and pharmacovigilance, regulatory affairs,  
13 medical affairs and legal departments continued  
14 its activities in 2014, meeting almost every  
15 month to review all aspects of safety and"  
16 pharmacovigilance "performance." (As read.)

17 Do you see that?

18 A. Yes.

19 Q. And then it says:

20 "During the year" that -- "the"  
21 Corporate Safety Board "oversaw 31 product  
22 safety audits of our factories and third-party  
23 manufacturing sites." (As read.)

24 Do you see that?

25 A. Yes.

1           Q.    This is in, I believe, 2014, maybe  
2    produced in 2015.  But the Corporate Safety  
3    Board, that is a safety board that was created  
4    by Teva Pharmaceutical Ltd.; correct?

5           A.    No.

6           Q.    Was it created by the board of directors  
7    for Teva Pharmaceuticals [sic] Ltd.?

8           A.    Not that I know of.

9           Q.    Who created it?

10          A.    It's created by management.  The  
11   management of the Teva group, as we've been  
12   discussing, transcends geographical borders.  
13   The people on this board are employees of  
14   several Teva group legal entities.  As I said,  
15   depending on where they reside, they would be  
16   the employees of that respective subsidiary.

17               And the board is manned to bring all  
18   the relevant knowledge and wisdom to the table  
19   to enable the group, to ensure that the group  
20   companies have world-class pharmacovigilance,  
21   as stated here.

22          Q.    And the Corporate Safety Board --  
23   one of the duties and responsibilities of that  
24   board is to look at safety issues related to  
25   medications -- all medications that Teva sells

1 or manufactures or distributes; correct?

2 A. It says so here? I don't see it.

3 Q. Okay. And the Corporate Safety Board  
4 is a board that is chaired -- or the chairperson  
5 of that board is a Teva Pharmaceuticals [sic]  
6 Ltd. employee; correct?

7 A. In 2014, that was correct.

8 Q. Right.

9 And is that still the case today?

10 A. Our Chief Medical Officer? I'm not  
11 sure.

12 Q. Could be? You just don't know?

13 A. Could be. But I believe it's a US --  
14 Teva USA employee. But I --

15 Q. Well, do you know?

16 A. -- I'm trying to think.

17 No. No, I don't know.

18 Q. Okay.

19 A. I can check.

20 Q. All right. Now, the Corporate Safety  
21 Board -- one of the things that board does is  
22 actually look at safety issues with medications,  
23 like opioids and all the other medications, and  
24 determine whether or not they need to make label  
25 changes to the products based on the safety

1 issues; correct?

2 A. I don't know.

3 Q. Pardon me?

4 A. I don't know.

5 Q. You don't know.

6 (Exhibit 54 marked.)

7 Q. BY MR. CARTMELL: Let me hand you  
8 Exhibit 54. Exhibit 54 is an e-mail with a  
9 PowerPoint attached. The e-mail at the top  
10 of the page is from Jamie Warner to James  
11 Ciciriello. And the subject is:

12 "Corporate Safety Board meeting  
13 minutes."

14 Do you see that?

15 A. (Examining.) Yes.

16 Q. I want to ask you about the e-mail  
17 below that, which is from Hila Horovitz.

18 Do you know Ms. Horovitz?

19 A. Yes. She's a -- she's an employee  
20 of TPI.

21 Q. Right. So she resides and works in  
22 TPI; correct?

23 A. Yes.

24 Q. Is she only an employee of TPI because  
25 she resides in Israel?

1 MS. HILLYER: Objection to form.

2 THE WITNESS: Her capacity, as part  
3 of the Global Pharmacovigilance team, is global.  
4 She is an employee -- or employed by TPI because  
5 she is Israeli, therefore employed by TPI.

6 Q. BY MR. CARTMELL: Okay. And when she  
7 works at TPI, she performs her duties on behalf  
8 of TPI; correct?

9 A. Her duties transcend TPI. That's the  
10 whole idea behind "global."

11 Q. That's not my question.

12 When she works at TPI and she performs  
13 her duties, she's performing those duties on  
14 behalf of TPI; correct?

15 A. Perhaps I'm misunderstanding the  
16 question, what it means to perform on behalf  
17 of TPI.

18 Q. Well, when she's employed by TPI  
19 and she's working in the ordinary course of  
20 her employment with TPI, then she is performing  
21 duties and responsibilities for the company;  
22 correct?

23 A. She's --

24 MS. HILLYER: Objection to form.

25 THE WITNESS: She's performing duties

1 and responsibilities for the group.

2 Q. BY MR. CARTMELL: Okay.

3 A. That's her global role.

4 Q. And she is actually, I believe, a  
5 Pharmacovigilance Science Team Leader at Teva  
6 Ltd. -- or excuse me -- Teva Pharmaceuticals  
7 [sic] Ltd.; correct?

8 MS. HILLYER: Objection to form.

9 THE WITNESS: She's a Pharmacovigilance  
10 Science Team Leader, as her e-mail signature  
11 says.

12 Q. BY MR. CARTMELL: Okay. And it says:

13 "Dear All. Please find attached the  
14 summary Corporate Safety Board meeting held on"  
15 January 29, 2014. (As read.)

16 Do you see that?

17 A. Yes.

18 Q. Do you know when this Corporate Safety  
19 Board was first put in place?

20 A. No.

21 Q. Do you know who made the decision to  
22 create a Corporate Safety Board? Do you know?

23 A. No.

24 Q. Okay. Do you know if it was TPI or  
25 representatives of TPI or its board or executive

1 officers, or whether it was somebody else? Do  
2 you know?

3 A. No.

4 Q. Okay. If you turn the page, there  
5 is:

6 "Teva Global Patient Safety &  
7 Pharmacovigilance, Corporate Safety Board  
8 Meeting Minutes."

9 Do you see that?

10 A. Yes.

11 Q. And this gives the board members  
12 of the Corporate Safety Board as of January  
13 of 2014.

14 Do you see that?

15 A. Yes.

16 Q. The chairperson of the board, as we  
17 discussed, is a TPI employee, Hedva Voliovitch;  
18 correct?

19 A. Yes.

20 Q. And as -- as the chairperson of the  
21 group, she has the authority to make policy  
22 with the other members of the group, the  
23 Corporate Safety Board; correct?

24 MS. HILLYER: Objection to form.

25 THE WITNESS: Yes. The board has

1 authority. Now she, as the chairman, does  
2 she have a decisive vote or overruling vote?  
3 I don't think so.

4 Q. BY MR. CARTMELL: Do you know?

5 A. No.

6 Q. Okay. Jon Isaacsohn, he was chief --  
7 Chief Medical Officer for Teva Ltd. from 2012  
8 to 2015; correct?

9 MS. HILLYER: Sorry. Where -- where  
10 are you?

11 THE WITNESS: Jon Isaacsohn.

12 MS. HILLYER: Oh.

13 THE WITNESS: Not exactly sure on the  
14 dates. But that's around that time.

15 Q. BY MR. CARTMELL: Okay.

16 "Howard" --

17 Is it Cyr?

18 -- "(on behalf of Richard Egesi)."

19 "Egesi"?

20 MS. HILLYER: "Egesi." "Egesi."

21 Q. BY MR. CARTMELL: (Reading.)

22 "Howard Cyr (on behalf of Richard Egesi)."

23 Do you see that?

24 A. Yes.

25 Q. And was Richard Egesi the Chief Legal

1 Officer and employee of Teva Pharmaceuticals  
2 [sic] Ltd.?

3 A. No. He was Chief Legal Officer but  
4 employee of Teva USA.

5 Q. Okay. Has he ever been an employee  
6 of Teva --

7 A. Oh, you are right.

8 Q. -- Pharmaceuticals [sic] Ltd.?

9 A. You are right. In fact Richard Egosi  
10 has moved his residence several times during  
11 his long tenure with the Teva group. And he  
12 has been, on occasion, an employee of TPI or  
13 Teva USA under the same principle that the  
14 person --

15 Q. Right.

16 A. -- is an employee of the company --

17 Q. Okay.

18 A. -- where he resides.

19 Q. So another employee of TPI; correct?

20 A. Who?

21 MS. HILLYER: Objection to form.

22 Q. BY MR. CARTMELL: Richard Egosi, as  
23 you said, from time to time has been an employee  
24 of TPI?

25 A. At -- I am not sure if in 2014 -- January

1     2014 he was in -- residing in Israel or in the US,  
2     therefore whether he was a TPI employee or Teva  
3     USA employee.

4             Q.     Okay. You know he's been an employee  
5     of TPI. You just don't know if he was at this  
6     time.

7                     Fair enough?

8             A.     Yes.

9             Q.     Jim Ott --

10            A.     Ottinger.

11            Q.     -- Ottinger, Senior VP and head of  
12     Global Regulatory Affairs; correct?

13            A.     Yes.

14            Q.     And then Richard Nieman, Senior VP  
15     and Head of Global Medical Affairs; correct?

16            A.     Yes.

17            Q.     Okay. These are all senior management  
18     people on the board; correct?

19                     MS. HILLYER: Objection to form.

20                     THE WITNESS: These are all senior  
21     managers in the Teva group --

22            Q.     BY MR. CARTMELL: Okay.

23            A.     -- on the board. Yes.

24            Q.     Okay. If you turn the page -- well,  
25     strike that.

1                   Yeah. If you turn the page, sir, to

2       No. 2:

3                   "Fentanyl citrate" --

4                   Or "citrate."

5                   -- "suggestion for label changes."

6                   Do you see that?

7           A.     Yes. I see it.

8           Q.     It says:

9                   "Several recommendations of the Medical  
10       Scientific Group ... for label changes of Fentanyl  
11       products were brought to the approval of the  
12       Safety Board." (As read.)

13                   Do you see that?

14       A.     I see that.

15       Q.     And then below that, there are headings  
16       of "Breastfeeding," "Brain Lesions," "Serotonin  
17       Syndrome," "Anaphylaxis/Hypersensitivity."

18                   Do you see that?

19       A.     Yes.

20       Q.     And -- and this board, as you can  
21       see, is discussing whether or not changes to  
22       the labeling for an opioid, fentanyl citrate,  
23       should be made; correct?

24       A.     Yes.

25       Q.     And several employees from TPI are

1 involved in these decisions; correct?

2 A. And also employees of Teva USA.

3 Q. And these employees, that include TPI  
4 as the chair of the committee, are talking about  
5 changing the label of -- of an opioid in several  
6 respects that is sold in the USA; correct?

7 A. This is what the protocol says. This  
8 is what the protocol says.

9 Q. Okay. And in several respects -- strike  
10 that.

11 Turn to page 9 of the -- of the attached  
12 PowerPoint, if you would.

13 MS. HILLYER: So just -- again, these  
14 are not -- it's missing a page. I don't know  
15 if it's missing an attachment or not. But --

16 MR. CARTMELL: Oh, it is.

17 MS. HILLYER: -- the Bates numbers  
18 are not consecutive.

19 MR. CARTMELL: Okay.

20 MS. HILLYER: It goes from 363 to 365.

21 MR. CARTMELL: Okay. We can replace  
22 that if you're okay with it. I'm --

23 MS. HILLYER: Yeah. I just don't know  
24 for context, but yeah.

25 MR. CARTMELL: It's just another

1 attachment.

2 MS. HILLYER: That's fine.

3 MR. CARTMELL: Okay.

4 Q. BY MR. CARTMELL: I just have a question  
5 about page 9. It's talking about the group is  
6 considering changing the label of this opioid  
7 related to brain lesions in rats. And it says  
8 in the second bullet:

9 "Teva Pharmaceutical Industries Ltd.  
10 was recently requested by the FDA to conduct  
11 a mechanistic study with fentanyl citrate."

12 Do you see that?

13 MS. HILLYER: Objection to the language  
14 that you said before that.

15 THE WITNESS: Yes. I see that.

16 Q. BY MR. CARTMELL: And, in fact, Teva  
17 Pharmaceutical Industries Ltd. has been involved  
18 in actually the performance of studies involving  
19 opioids that are sold in the USA; correct?

20 A. I don't know. It would be very  
21 surprising --

22 Q. Do you know?

23 MS. HILLYER: Hold on. Let him  
24 finish.

25 THE WITNESS: No. It would be very

1 surprising that Teva Ltd. in Israel was involved  
2 in a trial with rats that involves controlled  
3 substances that can only be done in the US.

4 Q. BY MR. CARTMELL: So do you know?

5 A. I said I don't know about this study.  
6 But it would have been -- it's highly unlikely --

7 Q. Okay.

8 A. -- given that we're talking about  
9 controlled substances.

10 Q. Is it possible that employees of TPI  
11 were involved and requested to be involved with  
12 the study on the opioids?

13 MS. HILLYER: Objection. Beyond the  
14 scope.

15 THE WITNESS: That is -- I don't know.

16 (Exhibit 55 marked.)

17 Q. BY MR. CARTMELL: Okay. Exhibit 55  
18 deals with pharmacovigilance and was produced  
19 to us in this -- this litigation from Teva's  
20 files.

21 And this is another PowerPoint prepared  
22 by a TPI employee living in Israel and involved  
23 in the pharmacovigilance group; correct?

24 MS. HILLYER: Objection. We've no  
25 foundation. There's no cover e-mail. We don't

1 know who prepared it. You have a name on the  
2 front. But that doesn't necessarily mean  
3 anything.

4 Q. BY MR. CARTMELL: You can answer.

5 A. The name on the front refers to  
6 a TPI employee --

7 Q. Right.

8 A. -- living in Israel. It's a global  
9 role.

10 Q. And this is April 2013; correct?

11 A. That's what it says. Yes.

12 Q. And there -- on the second page,  
13 there's a:

14 "Medical Safety Evaluation Hierarchy."

15 A. Yes.

16 Q. We talked about the safety board.  
17 There's also a "Medical Scientific Group" under  
18 that.

19 Do you see that?

20 A. Yes.

21 Q. And there's a "Product Safety Group"  
22 under the "Medical Scientific Group."

23 Do you see that?

24 A. Yes.

25 Q. And this --

1           A.     That's what it says.

2           Q.     This is a hierarchy in the pharmaco --  
3     strike that.

4                     This is a hierarchy in the  
5     pharmacovigilance global department; is  
6     that correct?

7                     MS. HILLYER:   Objection to the  
8     extent it's beyond the scope.

9                     THE WITNESS:   It says "hierarchy"  
10    and there are three layers here.   So it appears  
11    to be the hierarchy of the evaluation.

12           Q.     BY MR. CARTMELL:   We know that the  
13    safety board includes members of TPI, including  
14    the chair is an employee of T -- TPI.

15                     Do you know whether or not there are  
16    TPI employees involved on the Medical Scientific  
17    Group?

18                     MS. HILLYER:   Objection to the extent  
19    it's beyond the scope.

20                     THE WITNESS:   I am not sure, at any  
21    point -- given point in time, who exactly is  
22    on the core team of the Product Safety Group.

23           Q.     BY MR. CARTMELL:   What -- what about  
24    the Medical Scientific Group?

25           A.     This document -- I'm not sure.

1 Q. If you turn to page 8, there's a:  
2 "Medical Safety Evaluation Organizational  
3 Chart."

4 Do you see that?

5 A. Yes.

6 Q. And we just talked about the hierarchy  
7 in the medical safety evaluation; correct?

8 A. Yes. We did talk about that.

9 Q. On this organizational chart, at  
10 least as of 2013, the top of the organization --  
11 pharmacovigilance medical safety evaluation  
12 organization is a TPI employee named Hedva  
13 Voliovitch; correct?

14 A. Yes.

15 Q. She's not only the chair of the  
16 corporate safety board, but she's also the head  
17 of the medical safety evaluation organization  
18 as a whole; correct?

19 A. That's what's depicted here.

20 Q. And she resides in Israel, and she  
21 is a TPI employee -- correct? -- at this time?

22 A. Yes.

23 Q. And the second person in command  
24 or highest -- second highest person on the  
25 organizational chart is Hila Horowitz, who

1 is also a TPI employee at this time; correct?

2 MS. HILLYER: Objection. Mischaracterizes  
3 the document.

4 THE WITNESS: Yes. Actually, usually  
5 when people are broken up this way, they are more  
6 in an admin role, more in an administrative role  
7 than --

8 Q. BY MR. CARTMELL: Okay.

9 A. It doesn't signify importance, as  
10 an admin to Hedva.

11 Q. That makes sense.

12 So Ms. Horowitz, who reports to  
13 directly to Hedva Voliovitch, was likely more  
14 in an administrative capacity? Is that what  
15 you're saying?

16 A. It's likely more of a, as I said,  
17 a coordination than responsibility for specific  
18 actions.

19 Q. At any rate, she was also at this time  
20 a TPI employee; correct?

21 A. Yes.

22 Q. And these are the groups that are  
23 looking at the safety of the medications Teva  
24 USA and other Teva subsidiaries around the world  
25 are selling; correct?

1 MS. HILLYER: Objection to form.

2 THE WITNESS: These are the people --  
3 yes, these are the people that look at the safety.  
4 They are -- the scope is global. They are here  
5 aggregated by where they reside.

6 Q. BY MR. CARTMELL: And the US individuals  
7 at Teva USA that are listed here are reporting  
8 to TPI's Hedva Voliovitch; correct?

9 A. Yes.

10 Q. At least at this point, the medical  
11 safety evaluation of drugs, like opioids sold  
12 in the United States, was being headed up by  
13 TPI through their employee Hedva Voliovitch;  
14 correct?

15 MS. HILLYER: Objection to form.

16 THE WITNESS: These physicians are --  
17 were employees of Teva USA. They had also  
18 reporting lines -- professional reporting  
19 lines to Hedva Voliovitch in Israel. This is  
20 not different than any of our global structures.

21 Q. BY MR. CARTMELL: Move to strike  
22 and I'll re-state -- state the question.

23 At least at this point, the medical  
24 safety evaluation of drugs, like opioids sold  
25 in the United States, was being headed up by

1 TPI through its employee Hedva Voliovitch;  
2 correct?

3 MS. HILLYER: Objection to form.

4 THE WITNESS: No. No.

5 Q. BY MR. CARTMELL: No?

6 A. No.

7 At this point, the Teva group medical  
8 safety evaluation organization was headed by  
9 a TPI employee.

10 Q. Right.

11 A. It's a global organization. The  
12 employee heading it happens to be a TPI employee.

13 Q. Okay. Let -- let me say that, then,  
14 again. I'll -- I'll state it just so the record  
15 is clear.

16 At this point, the Teva safety evaluation  
17 organization was headed by a TPI employee; correct?

18 A. Yes.

19 Q. And at this point in time, TPI employees  
20 were involved in the day-to-day operation of the  
21 medical safety evaluation of drugs like opioids  
22 being sold in the United States; correct?

23 A. Where did you get that from?

24 Q. This is the organization that is formed  
25 that's looking at drug safety; correct?

1           A.     Yes.   And I see US employees here.

2                     So where did you get the Israeli  
3 employees -- TPI employees involved in the --  
4 where do you get that from the chart?  I don't --

5           Q.     I'll state it again.

6                     At this point in time, TPI employees  
7 such as Ms. Voliovitich were involved in the  
8 day-to-day operation of the medical safety  
9 evaluation of drugs like opioids being sold  
10 in the United States; correct?

11                    MS. HILLYER:  Objection to form.

12                    THE WITNESS:  At that point in time,  
13 there were Teva USA employees responsible for  
14 medical safety evaluation in the US.  They had  
15 professional reporting lines to the global head  
16 of medical safety evaluation that was, at that  
17 point in time, a TPI employee.

18           Q.     BY MR. CARTMELL:  Okay.  I'll move to  
19 strike it and -- and state my question and ask  
20 you to answer my question.

21                     At this point in time, TPI employees  
22 such as Ms. Voliovitich were involved in the  
23 day-to-day operation of the medical safety  
24 evaluation of drugs like opioids being sold  
25 in the United States; correct?

1 MS. HILLYER: Objection to form.

2 THE WITNESS: That's not a correct  
3 statement.

4 Q. BY MR. CARTMELL: Okay. At this point  
5 in time -- at this point in time, Ms. Voliovitich,  
6 a TPI employee, was involved in the medical safety  
7 evaluation of drugs being sold, including opioids  
8 being sold in the United States?

9 MS. HILLYER: Objection to form.

10 THE WITNESS: At this point in time --

11 Q. BY MR. CARTMELL: I'm not asking about  
12 the US employees.

13 A. At this point in time, Hedva Voliovitich,  
14 employed by TPI, oversaw medical safety evaluation  
15 operations around the world, including the US.

16 Q. Okay. And that included overseeing  
17 medical safety evaluation of products like the  
18 opioids being sold in the US; correct?

19 A. That include -- could you repeat that?

20 Q. And that included overseeing medical  
21 safety evaluation of products like the opioids  
22 being sold in the US?

23 A. It includes overseeing all of our  
24 medical safety evaluations of all products.

25 Q. Including opioids; correct?

1           A.     Yes.

2                     (Exhibit 56 marked.)

3           Q.     BY MR. CARTMELL:   I'm going to hand  
4     you what's been marked as Exhibit 56, which is  
5     an e-mail string that was produced from Teva's  
6     files in this litigation.   And I want to ask  
7     you a few questions about it.

8                     But -- but, first, I want to ask you  
9     if you are familiar with the opioid medication  
10    that Teva developed called Vantrela ER?

11          A.     I've heard of Vantrela ER.

12          Q.     Were you aware before today that Vantrela  
13    ER is an opioid medication that has been referred  
14    to as abuse-deterrent by Teva Pharmaceutical Ltd.?

15                  MS. HILLYER:   Objection.

16                  THE WITNESS:   No.

17          Q.     BY MR. CARTMELL:   This is an e-mail -- if  
18    you go to the back page and start chronologically.  
19    Actually --

20                  MS. HILLYER:   Wait.

21          Q.     BY MR. CARTMELL:   -- the bottom of the  
22    third page --

23                  MS. HILLYER:   Hold on.   Is it missing  
24    Bates again?

25                  MR. CARTMELL:   I'm sorry.   Excuse me.

1 MS. HILLYER: Oh, the end Bates is cut  
2 off.

3 MR. CRAWFORD: Yeah.

4 MS. HILLYER: Okay. I was about to say  
5 it's the same Bates number.

6 Q. BY MR. CARTMELL: Mr. Herman, if you --  
7 if you look at the last e-mail, which actually  
8 starts on the bottom of page 2 of the document,  
9 it's from Brendan -- Brendan O'Grady, who you  
10 talked about previously, who was -- who is now,  
11 I -- I believe, on the Executive Committee and  
12 an officer of TPI.

13 Correct?

14 A. (Examining.) He is an officer of TPI.  
15 Yes.

16 Q. Okay. And he's one of those employees  
17 that actually resides in the United States and --  
18 but he's an officer for TPI. And TPI actually  
19 pays his salary to Teva USA. And then he's paid  
20 by Teva USA with that money.

21 Correct?

22 A. No.

23 Q. That's not true?

24 A. No.

25 Q. Okay.

1           A.     Because he is the head of our commercial  
2     operations in the US, so the benefit of his  
3     management services is to Teva USA. Therefore,  
4     Teva USA bears the cost of his employment.

5           Q.     Is your testimony that he's not paid  
6     for his services as an Executive Committee member  
7     and officer of TPI?

8           A.     I don't believe --

9                   MS. HILLYER:  Objection to the extent  
10    that's beyond the scope.

11                  THE WITNESS:  I don't believe he's paid  
12    any additional amount for his membership in the  
13    Executive Committee.

14           Q.     BY MR. CARTMELL:  You don't know?  Or  
15    do you know?

16           A.     I don't know for a fact, no.

17           Q.     So as you sit here today, you don't  
18    know whether or not TPI pays Mr. O'Grady personally  
19    or pays Teva USA an amount that is then provided  
20    to Mr. O'Grady; correct?

21           A.     No.

22                  MS. HILLYER:  Objection.  Beyond the  
23    scope.

24                  THE WITNESS:  Teva Israel does not pay  
25    any part of Mr. O'Grady's salary.

1 Q. BY MR. CARTMELL: Okay.

2 A. Okay? This is not a service that we  
3 get charged for -- that TPI gets charged for.

4 Q. I think my question's a little different.

5 As you sit here today, you don't know  
6 whether or not TPI pays Mr. O'Grady any money  
7 directly or pays Teva USA any money that is then  
8 paid to him; correct?

9 A. No, that I can state. TPI does not pay  
10 Mr. O'Grady or TUSA for Mr. O'Grady's employment.

11 Q. Okay. What about for anything else,  
12 any other services?

13 A. No.

14 MS. HILLYER: Objection to the extent  
15 that's beyond the scope.

16 MR. CARTMELL: Well, he just told me  
17 he didn't know.

18 Q. BY MR. CARTMELL: And now are you  
19 saying definitively that you know that he  
20 doesn't get paid anything from TPI for his  
21 services --

22 A. Let me --

23 Q. -- as an officer --

24 A. -- clarify.

25 Q. -- or an executive member?

1 MS. HILLYER: I think that  
2 mischaracterizes his testimony.

3 MR. CARTMELL: I -- I -- I may be  
4 lost.

5 MS. HILLYER: I -- I think we're  
6 talking past each other.

7 THE WITNESS: Let me clarify. I think  
8 I -- I was confused.

9 What I thought you asked is whether  
10 Mr. O'Grady's compensation has an element that  
11 relates to his US -- management of US business  
12 and an element that is -- relates to his executive  
13 management participation. And I said I don't know  
14 how they apprise the remuneration for Mr. O'Grady.

15 What I do know -- and that is because my  
16 team oversees the services that are being charged  
17 between legal entities within Teva -- that TPI  
18 does not pay Teva USA for Brendan O'Grady's  
19 services, different to Carlo de Notaristefani  
20 and Harfun, where these are -- these charges  
21 do exist. Okay?

22 So Brendan O'Grady is not charged --  
23 his costs are not charged to --

24 Q. BY MR. CARTMELL: Right.

25 A. -- TPI. I hope it's clear.

1           Q.    Does any entity in Teva pay Mr. O'Grady  
2   any money for his services on the Executive  
3   Committee or as an officer of Teva Ltd.?

4           A.    No.

5           Q.    Okay. Okay. So the last e-mail is  
6   from Mr. O'Grady, who is an Executive Committee  
7   member and officer at TPI. And he says:

8                   "Dear all. Please see the attached  
9   revised forecast assumptions for Vantrela ER.  
10   In most scenarios, Vantrela is not profitable.  
11   In no scenario is it profitable in the two  
12   years after launch."

13                   And then he goes on to say:

14                   "Due to decreasing resources and no  
15   available sales force to promote this product,  
16   my recommendation is to stop any further spending  
17   on the product and not to file. I do not want  
18   to launch this product in the US. If anyone  
19   sees this differently, please let me know."

20                   Do you see that?

21           A.    Yes.

22           Q.    Okay. And he has written this e-mail,  
23   I believe, to individuals, including some other  
24   Executive Committee members or officers for  
25   Teva Pharmaceuticals [sic] Ltd.; correct?

1 A. Yes.

2 Q. Okay. These are all higher-ups at  
3 the -- in the Teva organization; correct?

4 MS. HILLYER: Objection to form.

5 THE WITNESS: These are his peers.  
6 Kare Schultz is CEO. But everybody else are  
7 his peers and his reportees.

8 Q. BY MR. CARTMELL: That's a good point.  
9 I -- I -- I'd forgotten that.

10 He's also included on this e-mail Kare  
11 Schultz, who is the actual CEO for the company  
12 Teva Pharmaceuticals [sic] Ltd.; correct?

13 A. Yes.

14 Q. Okay. And he's recommending that  
15 the company not actually launch this opioid --  
16 abuse-deterrent opioid called Vantrela; correct?

17 MS. HILLYER: Objection.

18 THE WITNESS: Again? He is? Sorry.  
19 I was distracted. The question was? If you  
20 can repeat.

21 Q. BY MR. CARTMELL: He is actually making  
22 a recommendation that the company, or Teva USA,  
23 not launch Vantrela, the opioid -- abuse-deterrent  
24 opioid; correct?

25 A. Yes.

1 Q. Okay. And then, if you go to the next  
2 page, Rivka Kreitman responds and says:

3 "Thanks Brendan. I need a clear decision  
4 ASAP if to pull the NDA or are we divesting it?  
5 Just for everyone's understanding, we did not  
6 join the consortium nor started the PMRs - both  
7 with significant financial implications."

8 Do you see that?

9 A. Yes.

10 Q. So Rivka is saying, I need to know  
11 if we're going to pull the NDA, which is the  
12 new drug application for this opioid; correct?

13 A. Yes.

14 Q. And -- and the application was pending  
15 with the FDA? Or it had already been approved?  
16 Do you know?

17 MS. HILLYER: Objection. Beyond the  
18 scope.

19 THE WITNESS: I don't know at which  
20 state it was.

21 Q. BY MR. CARTMELL: Okay. But if the  
22 company -- you do know, I take it, that if the  
23 company pulled the NDA, the application, from  
24 the FDA, then the -- the product would never  
25 be launched; correct?

1           A.     Yes.

2           Q.     Okay.   And then Brendan responds again  
3   and says:

4                   "No idea on divestment."

5                   "Divestment" means selling it to somebody  
6   else; correct?

7           A.     Yes.

8           Q.     So -- so they were asking whether or  
9   not maybe the Vantrela asset that had been in  
10   R & D and in development may be able to be sold  
11   to another company; right?

12          A.     Yes.

13          Q.     Okay.   And then it says:

14                   "I thought we had tried but could not  
15   find a buyer.   If we do not intend to launch and  
16   we have no potential buyer, my assumption would  
17   be that we pull the plug on the NDA, but that  
18   is probably Kare's call."

19                   Do you see that?

20          A.     Yes.

21          Q.     So Mr. O'Grady, who's an Executive  
22   Committee member and officer of TPI, is saying  
23   that the ultimate decision related to whether  
24   or not to launch this opioid -- abuse-deterrent  
25   opioid would be with the CEO of TPI; correct?

1 MS. HILLYER: Objection to form and  
2 to the extent it's beyond the scope of this  
3 particular document.

4 THE WITNESS: No.

5 Q. BY MR. CARTMELL: It says that would  
6 be -- is probably Kare's call; correct?

7 A. Yes. That's the language.

8 What it says is Brendan O'Grady,  
9 head of our US business, our Americas business  
10 for that purpose, the US market, is saying: I  
11 recommend that we pull the plug on the new -- a  
12 new drug application that the group has invested  
13 a significant amount into. I as -- he said that  
14 I, as commercial, don't want to sell this.

15 And remember, Teva works based on what  
16 the market can sell, what Teva USA can sell. The  
17 R & D, the TGO, everybody are just operating based  
18 on what Teva USA says they can sell -- say they  
19 can sell.

20 Q. Okay. I'm going to object and move to  
21 strike that.

22 I want to be clear for the jury who's --  
23 who's watching this. Okay?

24 When it says -- Mr. O'Grady says "my  
25 assumption would be that we pull the plug," that

1 was his recommendation; correct?

2 A. Yes.

3 MS. HILLYER: Objection to the extent  
4 it calls for speculation as to what Mr. O'Grady --

5 Q. BY MR. CARTMELL: And then just so it's --

6 MS. HILLYER: -- meant.

7 Q. BY MR. CARTMELL: -- clear for the  
8 jury, when he then says "but that is probably  
9 Kare's call" -- when he then says it's Kare's --  
10 or "probably Kare's call," what he's saying is  
11 that the ultimate decision related to whether to  
12 pull the plug is the CEO of TPI's call probably;  
13 correct?

14 MS. HILLYER: Objection to the extent  
15 it's beyond the scope as to this document. And  
16 calls for speculation.

17 THE WITNESS: It says "probably." And  
18 this is all speculative, because I did not talk  
19 to Brendan O'Grady about this e-mail, what did  
20 he mean.

21 But it looks like what he says is:  
22 Given the significance of innovative products  
23 to Teva -- we don't have that many. Given the  
24 importance that is broader than just Teva USA  
25 and its financial results and its ability to

1     sell in the market, which he clearly stated  
2     this would not be contributing to --

3                 MR. CARTMELL: I'll object to  
4     everything after his answer "it says probably."

5                 MS. HILLYER: You didn't even let  
6     him finish the answer.

7                 Q. BY MR. CARTMELL: Are you done?

8                 A. No. Actually, let me -- so given the  
9     importance of this to the overall Teva, he says  
10    "probably Kare."

11                Q. BY MR. CARTMELL: Probably, because  
12    this is such an important decision, it should  
13    be Kare's call, who's the CEO; correct?

14                MS. HILLYER: Same objection. This  
15    is beyond the scope and calls for speculation.

16                THE WITNESS: Probably because the  
17    effect concerns Teva USA operations.

18                Q. BY MR. CARTMELL: Right. And you  
19    would expect a huge decision, like whether  
20    or not to launch an opioid -- abuse-deterrent  
21    opioid onto the market in -- in the USA, that  
22    the CEO who's in charge would make that ultimate  
23    decision; correct?

24                MS. HILLYER: Objection to form.

25                THE WITNESS: No.

1 Q. BY MR. CARTMELL: Okay.

2 A. I would expect that in a significant  
3 decision about a novel drug -- and Teva does not  
4 have many novel drugs. And TPI, when promoting  
5 its equity and its debt to the investors, pride  
6 itself with the number of novel drugs that we  
7 develop. Any change in that list is material  
8 to TPI and to the group. It transcends. It's  
9 not because it's an opiate. It's because it's  
10 a novel drug.

11 And pulling a novel drug when we're  
12 at the approval stage -- so all of the money  
13 already invested and the clinical trials --  
14 pulling a drug is not -- is a very significant  
15 decision to the group, not only to Teva USA.

16 Q. Okay. So I think what you're saying,  
17 if I understand you, is that when making a decision  
18 to pull off an NDA and not launch a novel drug,  
19 regardless of what it is, an opioid or not, because  
20 that is such a big decision and so much has been  
21 invested, you would expect, like Mr. O'Grady says,  
22 that the ultimate decision would be TPI's CEO;  
23 correct?

24 MS. HILLYER: Objection to form.

25 THE WITNESS: I believe this is why he

1       says "probably."

2                       (Exhibit 57 marked.)

3               Q.     BY MR. CARTMELL:   Okay.   Let me hand  
4     you what's been marked as Exhibit 57.   Really  
5     quickly, I just have a few quick questions.  
6     This is actually a document that was -- strike  
7     that.

8                       Mr. Herman, this document was located  
9     on the FDA website that we found.   And it is  
10    a Teva Pharmaceutical [sic] Ltd. document;  
11    correct?

12            A.     (Examining.)   It appears to be.   Yes.

13            Q.     And this is titled:

14                       "Vantrela ER."

15                       And then it says:

16                       "Open Session."

17                       And it says:

18                       "Joint Meeting of the Anesthetic and  
19    Analgesic Drug Products Advisory Committee and  
20    the Drug Safety and Risk Management Advisory  
21    Committee."

22                       Do you see that?

23            A.     Yes.

24            Q.     Do you know, based on your experience,  
25    that that is a committee that is commissioned

1 by the FDA? It's called an FDA Advisory Committee?

2 MS. HILLYER: Objection. Beyond the  
3 scope.

4 THE WITNESS: I actually don't know.

5 Q. BY MR. CARTMELL: Okay. Up above,  
6 it says:

7 "Vantrela ER Briefing Document, FDA  
8 Advisory Committee Meeting, Final Version,"  
9 May 3rd, 2016. (As read.)

10 Do you see that?

11 A. Yes.

12 Q. And it appears that Teva Pharmaceuticals  
13 [sic] Ltd. provided the FDA Advisory Committee  
14 with this briefing document to be discussed at  
15 the open session.

16 Does it appear to you that way?

17 MS. HILLYER: Objection to the extent  
18 that mischaracterizes the document.

19 THE WITNESS: The document has the Teva  
20 logo that we used at this point. That specific  
21 logo was used around the world. It also has the  
22 legal name. Who prepared this document, I don't  
23 know.

24 Q. BY MR. CARTMELL: You don't know whether  
25 it was a Teva Pharmaceuticals [sic] Ltd. employee,

1     like the logo on the document, or if it was  
2     somebody else? Fair?

3             A.     Yes.

4             Q.     Okay. And you don't know, as you  
5     sit here today, I take it, whether or not  
6     Teva Pharmaceuticals [sic] Ltd. employees  
7     were involved in drafting briefing that went  
8     to the FDA about trying to get an opioid drug  
9     approved in the USA? Fair?

10            MS. HILLYER: Objection to form.

11            THE WITNESS: I -- I don't know if  
12     any TPI employees were involved.

13            Q.     BY MR. CARTMELL: Okay. Do you know  
14     whether or not TPI employees were involved in  
15     the research and development related to Vantrela  
16     ER, an opioid that was submitted to the FDA to  
17     be launched in the USA?

18            MS. HILLYER: Objection to form.

19            THE WITNESS: To the best of my knowledge,  
20     the research, development and would-be manufacturing  
21     had we actually gone with the launch, is Teva USA  
22     and Cephalon. I'm not sure whether it's Teva USA  
23     or Cephalon, but definitely a US entity lead or --  
24     or work.

25                   Whether employees of TPI were involved

1 in their capacity as global officers whose domains  
2 relate to R & D, may very well be. But the legal  
3 entities involved are not TPI, are -- I think it's  
4 Cephalon specifically for Vantrela. But I'm --  
5 I'm not sure if it's Cephalon.

6 (Exhibit 58 marked.)

7 Q. BY MR. CARTMELL: Let me -- let me hand  
8 you Exhibit 58, which is a large document that  
9 was produced in this litigation. And the front  
10 page has an e-mail from Corey Lamborn, the second  
11 e-mail down, to several individuals, including  
12 Dan Bar-Zohar.

13 Do you see that?

14 A. (Examining.) Dan Bar-Zohar. Yeah.

15 Q. Do you know Dan Bar-Zohar?

16 A. No, I don't.

17 Q. Do you know whether or not Dan  
18 Bar-Zohar was a Teva Ltd. -- or excuse me --  
19 Teva Pharmaceutical Ltd. employee?

20 A. No, I don't.

21 Q. Okay. If you turn to the second page --  
22 actually, I think we did this double-sided --  
23 there is a clinical study protocol. And this  
24 study protocol involves a study being done  
25 related to Vantrela ER.

1 Do you see that?

2 A. Yes.

3 Q. And the experts -- sponsor's medical  
4 expert and safety officer, you'll see one is  
5 Danny Bar-Zohar and the other is Hedva Voliovitch,  
6 MD, PhD, MBA.

7 Do you see that?

8 A. I see that.

9 Q. And at this time -- we are in October  
10 of 2012 -- Ms. Voliovitch was a TPI employee;  
11 correct?

12 MS. HILLYER: Objection to form.

13 THE WITNESS: Yes. But then as you --

14 Q. BY MR. CARTMELL: Well, you --

15 A. -- can see here --

16 Q. You've answered my question.

17 A. You -- as you can see here, she was  
18 signing this or authorizing this not in her  
19 capacity as a TPI employee. Because it clearly  
20 says:

21 "Teva Branded Pharmaceutical Products  
22 R & D Inc."

23 Q. Object and move to strike after the  
24 answer "yes."

25 Just so it's clear, my question was:

1 At this time, Ms. Voliovitch was an employee  
2 of TPI; correct?

3 A. Yes.

4 MS. HILLYER: Objection to form.

5 MR. CARTMELL: I -- actually, we can  
6 mark this if you want to, Becca.

7 Q. BY MR. CARTMELL: But I've got a copy  
8 of Danny Bar-Zohar's LinkedIn page.

9 Do you see this?

10 A. (Examining.) Yes.

11 MS. HILLYER: Sorry. What are you  
12 asking?

13 MR. CARTMELL: We can mark this if  
14 you want to. But I've only got one copy. And  
15 this is a --

16 MS. HILLYER: Okay.

17 MR. CARTMELL: -- copy of Danny  
18 Bar-Zohar's LinkedIn page.

19 MS. HILLYER: She has copies.

20 MR. CARTMELL: Oh, that's so cool.  
21 Amazing.

22 MS. HILLYER: All right. Do you  
23 want to mark one?

24 MR. CARTMELL: Yeah. 59.

25 (Exhibit 59 marked.)

1 Q. BY MR. CARTMELL: I'm handing you  
2 Exhibit 59, which is a copy of Dan Bar-Zohar's  
3 LinkedIn page.

4 Do you see that?

5 A. (Examining.) Yes.

6 Q. And if you go to the second page, he --  
7 he no longer works for a Teva entity. But it  
8 states that he worked for Teva Pharmaceuticals  
9 Industries Ltd. in Israel from October of '10  
10 to December of '12; correct?

11 A. That's what he says.

12 Q. Okay. And so he was another TPI  
13 employee who worked there that was involved  
14 in studies for Vantrela, an opioid; correct?

15 MS. HILLYER: Objection. Form.

16 THE WITNESS: I'm not sure. You  
17 cannot tell that from here which is his -- the  
18 way he decided to write whatever he decided to  
19 write. We will need to check if he was at the  
20 time a TPI or a TUSA employee. Because here  
21 it says:

22 "Global Branded Products."

23 TBP is -- Teva -- Teva Branded Products  
24 is a -- is a US company.

25 Q. BY MR. CARTMELL: Okay. Did -- did you

1 tell the jury earlier that there was no selection  
2 on LinkedIn for a company named Teva Pharmaceutical  
3 Industries Ltd.?

4 A. When I --

5 MS. HILLYER: Objection to form.

6 THE WITNESS: When I filled my LinkedIn --

7 Q. BY MR. CARTMELL: It didn't exist?

8 A. -- I --

9 MS. HILLYER: Let him --

10 THE WITNESS: -- could not find one.

11 Q. BY MR. CARTMELL: Okay. But this  
12 is a LinkedIn page that specifically says Teva  
13 Pharmaceutical Industries Ltd., doesn't it?

14 MS. HILLYER: Objection to form. And  
15 this is far afield of the topics.

16 Q. BY MR. CARTMELL: Correct?

17 A. This is what it says.

18 Q. Okay. And at least this says -- and  
19 that he was in Israel for three years, three  
20 months during the period of time that he signed  
21 off on -- as one of the medical experts involved  
22 in a study involving Vantrela; correct?

23 MS. HILLYER: Objection to form.

24 THE WITNESS: I don't see where you  
25 see he was in Israel.

1 Q. BY MR. CARTMELL: It says it on his  
2 LinkedIn page below where it says that he  
3 worked at Teva Pharmaceutical Industries Ltd.  
4 It says -- you can see it on the screen --  
5 "Israel."

6 A. It's very -- I don't know. I don't  
7 know.

8 Q. Okay.

9 A. He --

10 Q. You've answered my question.  
11 You don't know?

12 A. I don't know if it's his writing or  
13 the -- whether, when you choose Teva Pharmaceutical  
14 Industries Ltd., the automatic LinkedIn assumes  
15 it's in Israel. Because, since I joined LinkedIn  
16 a while ago, things have changed. I don't know.

17 Q. Okay. You think it might have been  
18 just something that was a snafu in the LinkedIn  
19 system?

20 MS. HILLYER: Objection to form and --

21 THE WITNESS: I don't know.

22 MS. HILLYER: -- beyond the scope.

23 THE WITNESS: I don't know.

24 Q. BY MR. CARTMELL: Was Mr. Bar-Zohar on  
25 the Fentora, which is one of Teva USA's opioids

1     sold in the USA -- was Mr. Bar-Zohar actually  
2     the VP clinical physician handling Fentora in  
3     the USA?

4             MS. HILLYER:  Objection to form.

5             THE WITNESS:  I don't know.

6             (Exhibit 60 marked.)

7             Q.     BY MR. CARTMELL:  I'll hand you Exhibit  
8     60, which is an e-mail string that was produced  
9     to us.  And there's an e-mail at the bottom from  
10    Susan Franks to several individuals.  And the  
11    subject or object here is:

12             "Effentora - Product Working Group."

13             Do you see that?

14             A.     (Examining.)  Yes.

15             Q.     It says:

16             "Hi Camille.  I cannot" access the --  
17     "access the link to the shared area ... can you  
18     kindly send the proposed SmPC as an attachment?  
19     Not sure if others are having the same problem."  
20     (As read.)

21             And then I want to focus on the next  
22     line.  It says:

23             "Also, I just" noted "that Danny Bar-Zohar  
24     (VP Clinical handling Fentora right now) is not  
25     on your invited list."  Do "you want to include

1 him?" (As read.)

2 Do you see that?

3 A. Yes.

4 Q. So it looks like, from this e -- e-mail,  
5 that Dan Bar-Zohar, who says on his LinkedIn that  
6 he worked for Teva Pharmaceuticals [sic] Industries  
7 Ltd. for three years and three months, from 2010  
8 through the end of 2012 in Israel, was on the  
9 Fentora product working group as the VP Clinical  
10 handling Fentora.

11 At least that's what this e-mail says;  
12 correct?

13 MS. HILLYER: Objection to form and  
14 beyond the scope.

15 THE WITNESS: I don't know whether  
16 he was a TPI employee, was he in Israel. And  
17 I don't know what "VP Clinical handling Fentora"  
18 means.

19 Q. BY MR. CARTMELL: Okay. But it's  
20 possible, would you agree, that Mr. Bar-Zohar,  
21 who was -- it's possible working at TPI at this  
22 time, was involved in the Fentora product working  
23 group and working on the day-to-day operations  
24 related to that opioid?

25 It's possible; correct?

1 MS. HILLYER: Objection to form and  
2 beyond the scope.

3 THE WITNESS: It's -- there's very  
4 low probability that an employee in Israel would  
5 be, on a daily basis, involved in a clinical --  
6 clinical trial that takes place in the US.

7 Q. BY MR. CARTMELL: No. Right now, this  
8 e-mail is just talking about him being the actual  
9 vice president for the company who was handling  
10 that drug Fentora.

11 That's what that says; right?

12 MS. HILLYER: Objection. Mischaracterizes  
13 the document.

14 THE WITNESS: That is --

15 MR. CARTMELL: How is that  
16 mischaracterizing?

17 THE WITNESS: -- very brief, abbreviated  
18 to know what they mean by "handling Fentora" right  
19 now.

20 Q. BY MR. CARTMELL: Is it possible that  
21 Mr. Bar-Zohar was a TPI employee at this time and  
22 was the vice president in the clinical department  
23 handling Fentora?

24 Is that possible?

25 MS. HILLYER: Same objections.

1 Q. BY MR. CARTMELL: Or do you know?

2 A. I don't know, as I said.

3 Q. Okay.

4 A. I don't know if he is an -- he was  
5 a TPI employee at that time. And I don't know  
6 what this means --

7 Q. Okay.

8 A. -- the "VP Clinical handling Fentora."

9 Q. Teva -- I'll start again.  
10 TPI also has a publication policy  
11 created by the corporate publication department  
12 at TPI that deals with the publication of studies  
13 for medications that Teva entities sell; correct?

14 MS. HILLYER: Objection to form.

15 THE WITNESS: Can you repeat that? TPI?

16 MR. CARTMELL: Sorry. Let me -- let me  
17 get this for you.

18 (Exhibit 61 marked.)

19 Q. BY MR. CARTMELL: I'm going to hand you  
20 what's been marked as Exhibit 61, which is a:

21 "Global Publication Policy."

22 Do you see that?

23 A. (Examining.) Yes.

24 Q. This is a policy that is put together  
25 by TPI; correct?

1           A.    I don't know.  The person owning it is  
2   not in TPI.  But --

3           Q.    Okay.  But this is a corporate or global  
4   policy; correct?

5           A.    This is a global policy.  Yes.

6           Q.    Okay.  And it says under "Purpose":

7                   "The objective of this document is  
8   to outline the principles and responsibilities  
9   governing the external publication of scientific  
10   and medical information about products belonging  
11   to Teva Pharmaceutical Industries Ltd. or disease  
12   states of interest to Teva."

13                   Do you see that?

14          A.    Yes.

15          Q.    Do you agree with that?

16          A.    No.

17                   MS. HILLYER:  Objection to form.

18          Q.    BY MR. CARTMELL:  Pardon me?  Do you  
19   agree with this?

20          A.    No.

21          Q.    At any rate, this is a corporate policy,  
22   global policy that is given to subsidiaries like  
23   Teva -- Teva USA as directives that are supposed  
24   to be followed; correct?

25          A.    Yes.  Including TPI itself, of course.

1 (Exhibit 62 marked.)

2 Q. BY MR. CARTMELL: I'll hand you what's  
3 been marked as Exhibit 62, which is an e-mail  
4 string that was produced in this case with an  
5 attached agenda to a product liability conference  
6 in the United States.

7 Do you see that?

8 A. (Examining.) Yes.

9 Q. If you go to the next page, there's  
10 the product liability conference agenda. And  
11 this is happening in New York; correct?

12 Do you see that?

13 A. Yes.

14 Q. And this is on Teva Pharmaceutical  
15 Industries Ltd. stationery?

16 A. Yes.

17 Q. Likely prepared by Teva Pharmaceutical  
18 Ltd. employees; correct?

19 MS. HILLYER: Objection to form and  
20 beyond the scope.

21 Q. BY MR. CARTMELL: Or do you know?

22 A. I don't. But --

23 Q. Okay.

24 A. -- many of these are not. So I don't  
25 know.

1 Q. Okay. This -- do you know what product  
2 liability is in the United States?

3 A. Does it have a different meaning in the  
4 US than elsewhere?

5 Q. I'm just asking, because this is in the  
6 US and involves United States product liability  
7 law discussion.

8 Do you know what that is, product  
9 liability?

10 A. Broadly.

11 Q. What is it?

12 A. The response -- the liability of a  
13 maker of a product for adverse effect of that  
14 product --

15 Q. Okay.

16 A. -- or consequences of using that product.

17 Q. And this involves speakers who include  
18 multiple employees of TPI from Israel; correct?

19 A. I see employees from Israel, from the  
20 US -- I mean Teva USA employees, TPI employee --  
21 there's more than one. I see Hedva, but I don't --  
22 oh, and Tal.

23 Q. Right.

24 A. So two out of many.

25 Q. Richard Egosi?

1           A.    Yeah, that depends where he were [sic]  
2   at that time.  As I said, he re-located several  
3   times.

4           Q.    Right.

5           A.    So depending on the date --

6           Q.    And --

7           A.    -- he may or may not be a TPI person.

8           Q.    Sorry.

9                   And -- and Richard and -- and Hedva  
10   are speaking on liability law -- are speaking  
11   at the seminar, I should say.

12                   Correct?

13           A.    According to the agenda, they are  
14   presenting.

15           Q.    So they would have come from Israel  
16   from the home office -- TPI office in Israel  
17   to the United States to talk about product  
18   liability law as it applies to Teva's products?

19                   MS. HILLYER:  Objection to form --

20                   THE WITNESS:  Yeah, I'm not --

21                   MS. HILLYER:  -- and to the extent  
22   this is beyond the scope.

23                   THE WITNESS:  I'm not sure what  
24   Hedva would be speaking about.  The title  
25   says pharmacovigilance, which is her domain --

1 global domain in Teva. It does not say product  
2 liability. So ...

3 Q. BY MR. CARTMELL: Well, the title of  
4 the conference is:

5 "Product Liability Conference Agenda."

6 Do you see that?

7 A. Yes.

8 Q. Okay. Why is it that TPI employees  
9 would come to the USA from Israel to speak  
10 about U -- United States product liability  
11 law to representatives of Teva USA?

12 MS. HILLYER: Objection to form.

13 THE WITNESS: I don't know what was  
14 discussed there.

15 But Hedva, in her global role as global  
16 head of pharmacovigilance, traveled very frequently  
17 to the subsidiaries to educate, to oversee, to  
18 talk about how we keep pharmacovigilance standards,  
19 et cetera.

20 (Exhibit 63 marked.)

21 Q. BY MR. CARTMELL: I'm going to hand  
22 you what's been marked as Exhibit 63, which is  
23 an e-mail produced from the files of Teva in  
24 this case, and ask you a quick question or a  
25 few quick questions. This is dated October 4th

1 of 2017.

2 The e-mail is from Shannon Dzubin --

3 Do you see that?

4 A. (Examining.) Yes.

5 Q. -- to several individuals. And it's  
6 about a meeting that is being put together by  
7 someone named Peterburg.

8 Do you see that?

9 A. Yes.

10 Q. Who is Peterburg?

11 A. Peterburg was at the -- at the time  
12 the CEO -- the -- wait. Because he was president.  
13 Is that the time he was CEO? This is probably  
14 from the time he was CEO -- acting CEO of TPI.

15 Q. Okay. So the acting CEO of TPI in  
16 Israel.

17 Did he reside in Israel at the time?

18 A. Yes.

19 Q. The acting CEO, who resides in Israel  
20 and is the CEO of TPI, has asked that Teva USA  
21 employees get together and meet. It says:

22 "You've been invited to a GlobalMeet  
23 web meeting."

24 Do you see that?

25 A. Yes.

1 Q. Get together and meet:

2 "To review the US opioid epidemic and  
3 consider Teva response options."

4 Do you see that?

5 A. Yes.

6 Q. As CEO of Teva Pharmaceutical Ltd.,  
7 was Mr. Peterburg or has he been involved in  
8 responding to the opioid epidemic in the United  
9 States?

10 MS. HILLYER: Hold on a second.

11 Objection to form and to the extent  
12 this is beyond the scope.

13 THE WITNESS: I have no information  
14 and details of what Mr. Peterburg did or not.  
15 What I see here that he requested, as you said,  
16 Teva USA employees to review what Teva -- which  
17 I assume here, because it's opioids, refers to  
18 Teva USA -- response options are to the epidemic.

19 Q. BY MR. CARTMELL: Do you know if  
20 Mr. Peterburg, on behalf of Teva Ltd. -- or  
21 excuse me -- Teva Pharmaceutical Ltd. actually  
22 provided a written response or oral response,  
23 for that matter, to the US opioid epidemic that  
24 we're going through in this -- or in the USA?

25 MS. HILLYER: Objection to form and

1     beyond the scope.

2                   THE WITNESS:   Reply to whom?

3           Q.     BY MR. CARTMELL:   To anybody.   I'm  
4     asking.   Because it looks like here he's looking  
5     for response options.

6                   MS. HILLYER:   Objection to form and  
7     way beyond the scope.

8                   THE WITNESS:   I don't know.

9           Q.     BY MR. CARTMELL:   Would you expect,  
10    based on your experience, that the CEO in Israel,  
11    TPI, would be the one to respond related to the  
12    opioid epidemic in the United States?

13                   MS. HILLYER:   Objection to form and  
14    beyond the scope.   And calls for speculation.

15                   THE WITNESS:   I don't think this  
16    e-mail asks -- in this e-mail Peterburg asks  
17    the team to provide him with what he responds.  
18    It says what Teva needs to do.

19           Q.     BY MR. CARTMELL:   Who's "Teva"?  
20    Do you know?

21                   MS. HILLYER:   Objection to form.  
22    This is beyond the scope.

23                   THE WITNESS:   I can only speculate.  
24    But these are all Teva US employees.   This is  
25    an opioid epidemic in the US market.   This is

1 a Teva USA issue.

2 Q. BY MR. CARTMELL: Would you expect,  
3 on an issue like this of this magnitude, as  
4 you've talked about some issues, would you  
5 expect, if there was a response to the opioid  
6 epidemic because of the magnitude of that in  
7 the United States, that TPI's CEO would be  
8 involved in approving that response?

9 MS. HILLYER: Objection to form.  
10 Calls for speculation. And beyond the scope.

11 THE WITNESS: If the CEO of TPI  
12 believes that this issue or any other issue  
13 can have bearing on the group at large beyond  
14 the market, then he would be interested to  
15 oversee or over -- or review what the local  
16 market response is.

17 MR. CARTMELL: Okay. I don't have  
18 anything further. Thank you.

19 MS. HILLYER: Nothing.

20 MR. CRAWFORD: I have one more document  
21 I wanted to ask about that I forgot. So we don't  
22 have any time left?

23 MS. HILLYER: You have about four minutes.

24 MR. CRAWFORD: Okay. Let's just do it  
25 real quick, then.

1 THE VIDEOGRAPHER: Go off the record?

2 MS. HILLYER: No. I mean, he could  
3 do it from there if he can.

4 MR. CRAWFORD: Well, I want to --

5 MS. HILLYER: All right. So why don't  
6 we go off the record and we can gather our --

7 THE VIDEOGRAPHER: The time is 6:33 p.m.  
8 We're now off the record.

9 (Recess from 6:33 p.m. to 7:36 p.m.)

10 THE VIDEOGRAPHER: The time is 7:36 p.m.  
11 We're now on the record.

12 (Exhibit 64 marked.)

13

14 FURTHER EXAMINATION

15 BY MR. CRAWFORD:

16 Q. All right. I marked another exhibit,  
17 64. This is -- they're Bates stamped on the  
18 bottom. Page 102, this document represents  
19 the:

20 "Foreign Corporation Income Tax  
21 Declaration for an IRS e-File Return."

22 Do you see on page 102 you signed  
23 this as an officer of Teva --

24 A. (Examining.) Yes.

25 Q. -- TPI; right?

1 A. Yes.

2 Q. And if you could turn now to page 105.

3 And if you could look at Section W on the right.

4 Tell me when you get there.

5 A. Yes.

6 Q. Okay. Is this -- you checked "Yes" on  
7 this box.

8 Is this you're attest -- attesting to  
9 the -- that your -- that the company is subject  
10 to a treaty and, therefore, entitled to a reduction  
11 in taxes?

12 A. Yes.

13 Q. And turning, then, to page 112, again,  
14 that last kind of typed-in paragraph on the bottom.

15 Do you see that?

16 A. Yes.

17 Q. And it does say there that:

18 "Ltd. maintains that it qualifies for  
19 the benefits of the US - Israel tax treaty as it  
20 meets the requirements of Article 25, paragraph  
21 3(C), the 'active trade or business' test."

22 So what is the benefit that the company's  
23 attesting against here a reduction in taxes?

24 A. Article 25 of the treaty sets forth  
25 who is allowed to claim benefits under the treaty.

1 And since TPI had an active trade or business in  
2 Israel, it is entitled to benefit from the treaty.  
3 The benefit is that TPI, if it sells to the US  
4 versus selling in the US, is not taxed in the  
5 US on its profit from these sales.

6 Q. Okay. And there's a number there at  
7 the bottom. It says:

8 "The gross receipts from US source  
9 for the tax year ended were \$46,020,426."

10 What number does that represent?

11 A. This represents receipts that are from  
12 US source of TPI. I don't recall in 2015 what  
13 exactly these were derived from. But these are  
14 usually from interest or dividends on marketable  
15 securities that TPI holds as part of its investment  
16 portfolio that may come from US companies. This  
17 is a small number. It does not reflect our sales  
18 to Teva USA.

19 Q. And can you name the specific US  
20 subsidiaries that make up the 46 million?

21 A. No, this would not be from subsidiaries.  
22 That would be from general marketing transactions,  
23 securities.

24 Q. All right. Turn to the next page, 113.

25 Here -- these are listed here your US

1 subsidiaries; correct?

2 A. Yes.

3 Q. So, for instance, Teva Pharmaceuticals  
4 USA Inc. and subsidiaries, you have taxable  
5 income of \$1.235 billion or thereabouts; right?

6 A. Yeah. That's the taxable income of  
7 that corporation.

8 Q. Right. Of Teva USA; correct?

9 A. Yes.

10 Q. And then right below it --

11 MS. HILLYER: Mark, just to let you  
12 know your five minutes --

13 MR. CRAWFORD: We'll wrap it up --

14 MS. HILLYER: -- passed already.

15 MR. CRAWFORD: -- here. I just started.

16 MS. HILLYER: You only had about five  
17 minutes.

18 MR. CRAWFORD: Okay.

19 MS. HILLYER: And your five minutes  
20 passed.

21 MR. CRAWFORD: Let me just finish up  
22 with this.

23 MS. HILLYER: Go ahead.

24 Q. BY MR. CRAWFORD: So Cupric had a loss  
25 of \$586 million; right?

1 A. That's what it says.

2 Q. So, basically, these numbers are lumped  
3 together -- or -- or a consolidated return of  
4 these -- these profits and losses are lumped  
5 together and -- and offset each other; right?

6 A. In some cases. Not all of these  
7 consolidate under the same group. We file  
8 several consolidated returns in the US.

9 Q. And consolidation means that you  
10 are -- you lump them together so you can offset  
11 profits and losses of the various entities that  
12 are consolidated?

13 A. For US tax.

14 MS. HILLYER: Hold on.

15 Objection to form.

16 MR. CRAWFORD: Okay. That's all I have.

17 Thank you.

18 MS. HILLYER: I still have -- I don't  
19 want the camera on me. Good?

20 THE VIDEOGRAPHER: Yeah.

21 MS. HILLYER: Okay.

22 MR. CRAWFORD: You want to change?

23 MR. CARTMELL: Yeah.

24 MS. HILLYER: No, it's okay. Let me --  
25 while you're switching, I want to say one thing

1 before I ask questions.

2 MR. CARTMELL: Okay.

3 MS. HILLYER: Just due to timing,  
4 I just want to put on the record we're going  
5 to take a closer look at Exhibit 62 and 63.  
6 And I mean, I guess, because we always have  
7 the right, but we reserve the right to claw  
8 those two documents back and to move to strike  
9 the testimony about them to the extent they're  
10 privileged. But we didn't get a chance to really  
11 study those. So I just wanted to put that on the  
12 record for now. All right.

13 MR. CARTMELL: Okay.

14 MR. CRAWFORD: You want your mike on?

15 MR. CARTMELL: Yeah. Yeah. Oh, here  
16 it is. Yeah. Got it.

17

18 EXAMINATION

19 BY MS. HILLYER:

20 Q. Mr. Herman, earlier you testified about  
21 certain SEC filings that TPI makes.

22 Do you recall that?

23 A. Yes.

24 Q. Is it your understanding that all of  
25 those SEC filings complied with all SEC regulations

1 and laws?

2 A. Yes.

3 MR. CARTMELL: Object to form.

4 Q. BY MS. HILLYER: We also looked at  
5 some press releases over the course of the day  
6 that TPI issues.

7 When TPI issues a press release that  
8 may just say the word "Teva," what does that  
9 mean?

10 A. It means TPI and/or any of its  
11 subsidiaries.

12 Q. If a press release mentions Teva  
13 Pharmaceuticals [sic] Industries Ltd. may  
14 sell X, Y, Z product or conduct this business,  
15 does that actually mean TPI does those things?

16 MR. CRAWFORD: Object to the form.

17 THE WITNESS: No.

18 Q. BY MS. HILLYER: Does it imply that  
19 TPI controls the day-to-day business of whichever  
20 entity does that operation?

21 A. No.

22 Q. Are press releases that TPI issues  
23 marketing of any Teva product?

24 A. No.

25 Q. Do you know who Kirsten Bauer reports

1 to?

2 A. Yes. Kirsten Bauer reports to Brendan  
3 O'Grady.

4 Q. In his capacity as --

5 A. In his capacity as head of Americas  
6 Commercial. And -- and she is -- just to remind  
7 everybody, she's the legal -- she's head of legal  
8 for the North American commercial business.

9 Q. Earlier we looked at pictures and talked  
10 about the corporate officers of TPI.

11 Do you recall that?

12 A. Yes.

13 Q. Do any of those corporate officers have  
14 any involvement in or control of the day-to-day  
15 operations of Teva USA?

16 MR. CARTMELL: Object to the form.

17 MR. CRAWFORD: Object to the form.

18 THE WITNESS: The only corporate officer  
19 that has any such involvement is Brendan O'Grady.

20 Q. BY MS. HILLYER: And why does he?

21 A. Because he is response -- he's managing  
22 the Americas commercial business.

23 Q. And is his involvement in that capacity,  
24 is -- is that because of his role as a corporate  
25 officer of TPI?

1 MR. CARTMELL: Object to form.

2 THE WITNESS: It's the reverse.

3 He's a member of the Executive  
4 Committee or the executive management because  
5 he is the manager of the commercial -- one of  
6 our commercial regions.

7 Q. BY MS. HILLYER: I want to show you  
8 again -- I hope these are in order -- Exhibit  
9 36, which is one of the ones that you brought  
10 in today with you. I just want to clarify  
11 something. I'll show you mine.

12 There was a page that talked about  
13 Teva board membership and Teva committees.

14 Do you recall that?

15 A. Yes.

16 Q. Okay. What Teva entity is that for  
17 that board and committees?

18 A. TPI.

19 Q. There was also some discussion about  
20 where employees may go after a company was  
21 acquired or merged with a Teva entity.

22 Do you recall that?

23 MR. CARTMELL: Object to the form.

24 THE WITNESS: Yes.

25 Q. BY MS. HILLYER: In any of those

1 acquisitions or mergers that we talked about,  
2 did any of those employees become employees  
3 of TPI to your knowledge?

4 A. No.

5 Q. We also discussed, over the course  
6 of the day, certain global functions within  
7 the Teva group.

8 Is there any global function that  
9 is headquartered in any one place?

10 A. The global functions, as I mentioned,  
11 are comprised of people residing in -- in many  
12 places. They're not headquartered any particular  
13 location. And, actually, the location tends to  
14 shift depending on who's currently in a specific  
15 position.

16 Q. If -- if the head of a global function  
17 is a TPI employee who resides in Israel, does  
18 that mean that the global function is a TPI  
19 function?

20 A. No.

21 Q. Is TGO the same as TPI?

22 A. No.

23 Q. Are there any global functions that  
24 are the same as TPI?

25 A. No.

1           Q.    You also testified about certain TGO  
2   departments.  And I believe you brought in a  
3   list of those with you.

4                   Are those headquartered or run out  
5   of any one place?

6           A.    No.  Same as with other corporate --  
7   the other global functions, they -- the management  
8   of them resides wherever the people who fulfill  
9   the functions reside.  And that may be around  
10   the globe.

11          Q.    And that can change?

12          A.    And that actually changes over time.

13          Q.    Earlier there was some questions and  
14   answers around financing transactions.

15                   Do you recall that testimony?

16                   MR. CARTMELL:  Object to the form.

17                   THE WITNESS:  Yes.

18          Q.    BY MS. HILLYER:  And -- and there was  
19   discussion about what happens with money from  
20   one asset -- from one entity to another.

21                   In any of those processes or -- or  
22   transactions, are any funds between two Teva  
23   subsidiaries or entities ever commingled?

24                   MR. CRAWFORD:  Objection.  Form.

25                   THE WITNESS:  No.  Each subsidiary

1 always maintains his entitlement to the  
2 consideration for the receivable they sold  
3 or any asset that they sold.

4 Q. BY MS. HILLYER: Over the course of  
5 the day, I've heard you reference or use the  
6 phrase "the market" where the market drives  
7 certain decisions.

8 Can you explain what you mean by  
9 "the market"?

10 MR. CARTMELL: Object to the form.

11 THE WITNESS: It's the local Teva  
12 subsidiary that is distributing and marketing  
13 the products in that -- in that country.

14 Q. BY MS. HILLYER: And in USA, in the  
15 US, what is that?

16 A. That would be Teva USA for the most  
17 part, some Cephalon to an extent.

18 Q. Did TPI ever sell oxycodone in the  
19 United States?

20 A. No.

21 Q. Do you know if it sold it elsewhere?

22 A. I'm not sure regarding Israel, which  
23 would be the only place that it could sell  
24 oxycodone.

25 Q. For opioids that are sold or distributed

1 within the United States by Teva USA or any Teva  
2 entity, is any R & D for those products conducted  
3 outside of the United States?

4 A. No.

5 Q. Does TPI oversee TUSA's compliance  
6 with DEA regulations?

7 MR. CARTMELL: Object to the form.

8 (Court reporter clarification.)

9 MS. HILLYER: Oh, sorry.

10 Q. BY MS. HILLYER: Does TPI oversee Teva  
11 USA's compliance with DEA regulations?

12 MR. CARTMELL: Same objection.

13 THE WITNESS: TPI monitors compliance  
14 with rules and regulations relevant to the  
15 subsidiaries. Generally, the DEA regulations  
16 would be part of this.

17 Q. BY MS. HILLYER: And to the extent  
18 suspicious order monitoring is part of a DEA  
19 compliance, would that fall under that umbrella  
20 as well?

21 MR. CARTMELL: Objection to the form.

22 THE WITNESS: Yes.

23 Q. BY MS. HILLYER: Does TPI control or  
24 manage the day-to-day of Teva USA's compliance  
25 with DEA regulations?

1 A. No.

2 MR. CARTMELL: Object to the form.

3 Q. BY MS. HILLYER: Is there any global  
4 policy or standard by Teva -- any Teva entity  
5 for DEA compliance?

6 A. Not a global, because that's a local  
7 issue.

8 Q. Do subsidiaries in the Teva group  
9 always have to accept the recommendation of  
10 an audit?

11 A. No.

12 MR. CARTMELL: Object to the form.

13 THE WITNESS: No. They -- they cannot  
14 reject the findings. They can propose alternative  
15 remediation plans and, in discussion with internal  
16 audit, get to an agreement on what would be the  
17 actual remediation that they will then implement.

18 Q. BY MS. HILLYER: Is there a Chief  
19 Medical Officer for TPI?

20 A. This is a global function that used  
21 to exist. Currently, it does not -- does not  
22 exist in the United States.

23 Q. I'm going to turn your attention to  
24 Exhibit 54, page 9 of the attachment.

25 This was a document that you had never

1     seen before today; correct?

2             A.     Yes.

3             Q.     And you don't know who wrote it; correct?

4             A.     Yes.

5             Q.     There's a reference on the -- in the  
6     second bullet to Teva Pharmaceutical Industries  
7     Ltd.

8                     Could that be a reference to another  
9     Teva entity?

10            MR. CARTMELL:   Object to the form.

11            THE WITNESS:   Yes.   This is probably  
12     a misnomer.

13            Q.     BY MS. HILLYER:   What -- what is it  
14     likely to have been?

15            MR. CARTMELL:   Object to the form.

16            THE WITNESS:   There are -- the FDA, on  
17     a daily basis, transacts with US entities.   Even  
18     when a product is developed outside of the US, we  
19     ask TBPP, one of our subsidiaries, to be a front  
20     that the relevant entity -- TPI, for example, would  
21     ask TBPP to be a front to the FDA.   So it's highly  
22     unlikely that the FDA requested TPI anything about  
23     this product.

24            Q.     BY MS. HILLYER:   Does TPI manufacture,  
25     promote, or sell any opioids in the United States?

1 MR. CARTMELL: Object to the form.

2 THE WITNESS: No.

3 Q. BY MS. HILLYER: I'll turn your attention  
4 to Exhibit 58. That was here. Page 2 of the  
5 attachment -- I'm sorry -- page 2 of the document,  
6 first page of the attachment, there is a reference  
7 to Teva Branded Pharmaceutical Products R & D Inc.

8 Do you see that?

9 A. Yes.

10 Q. What is that entity?

11 A. That is the entity I just referred  
12 to as TBPP. This is the entity that the Teva  
13 subsidiaries usually use for interaction with  
14 the FDA, particularly in new -- new drug approvals.

15 Q. Earlier today, Mr. Herman, I believe  
16 you referenced the FCPA.

17 Do you recall that?

18 A. Yes.

19 Q. What was the context in which you were  
20 referencing that?

21 A. I was pointing out to a law that may  
22 impose liability on TPI's traded company in the  
23 US, even though the wrongdoing was done by a  
24 subsidiary of TPI, even a subsidiary outside  
25 the US, as we have experienced.

1 Q. But you weren't saying that TPI could  
2 be liable for subsidiaries in any other context  
3 when you said that, were you?

4 MR. CARTMELL: Object to the form.

5 THE WITNESS: That would require  
6 a specific law that holds TPI liable to the  
7 wrongdoings of subsidiaries. FCPA is a good  
8 example of such law.

9 MS. HILLYER: I have no further  
10 questions at this time subject to re-cross --  
11 re-direct.

12 MR. CRAWFORD: We have one.

13 MR. CARTMELL: Do you want to go?

14 MS. HILLYER: Do you want to take a --

15 MR. CRAWFORD: No, it's fine.

16

17 FURTHER EXAMINATION

18 BY MR. CARTMELL:

19 Q. Mr. Herman, you just referenced again --  
20 I think it was Exhibit 58, page 2, and that's  
21 where Hedva Voliovitch signed off on a study  
22 that was done during the R & D phase of an  
23 opioid being tested and provided to the FDA.

24 Correct?

25 MS. HILLYER: Objection to form.

1 THE WITNESS: I'm not sure what "signed  
2 off on" means. She served, as it says here, as  
3 the safety officer. I believe that's an FDA-defined  
4 term, what is -- who's the -- the safety officer  
5 over clinical trials.

6 Q. BY MR. CARTMELL: Okay. So let's --  
7 let's make it clear.

8 This was Ms. Voliovitich -- am I  
9 pronouncing that correctly?

10 A. Yes.

11 Q. Okay. Let's make it clear.

12 Ms. Voliovitich at this time is an  
13 employee of Teva Pharmaceutical Ltd. in Israel;  
14 correct?

15 A. Of TPI, yes.

16 Q. Okay. And there is an opioid drug that  
17 is being developed by one of the Teva entities  
18 or Teva as -- as a global entity so that it can  
19 be sold in the United States; correct?

20 MS. HILLYER: Objection to form.

21 THE WITNESS: The first way you put  
22 it was better.

23 Q. BY MR. CARTMELL: Okay.

24 A. One of the Teva US entities was  
25 developing.

1           Q.    Okay. Well, the Teva -- do you --  
2   do you know who signed the NDA for that?

3           MS. HILLYER:  Objection to the extent --

4           THE WITNESS:  No, I don't.

5           MS. HILLYER:  -- it's beyond the scope.

6           Q.    BY MR. CARTMELL:  Do you know if that  
7   was a Teva USA employee?

8           A.    No, I don't.

9           Q.    Okay. But you know that, during the  
10   research and development of drugs like opioids  
11   in this case, there's testing that's done related  
12   to safety; correct?

13          A.    I know that there are testing done also  
14   with respect to safety on developing new drugs.  
15   And I know that drugs involving opioids cannot  
16   be developed -- because of regulatory requirements,  
17   DEA, cannot be developed outside the US.

18          Q.    Okay. So -- so this drug -- this opioid  
19   drug that Teva USA is planning to or has already  
20   submitted an NDA on and at that time is planning  
21   to sell in the United States is being tested --  
22   right? -- at the time of that document?

23          A.    I --

24          MS. HILLYER:  Objection to the extent  
25   that's beyond --

1 THE WITNESS: -- assume so.

2 MS. HILLYER: -- beyond the scope.

3 Q. BY MR. CARTMELL: Okay. And there's  
4 a safety officer that is involved in that testing  
5 at that time.

6 And that's Ms. Voliovitch; correct?

7 A. It says here she is the designated  
8 safety officer. Her level of involvement I'm  
9 not -- I can only infer from the fact that she  
10 is designated as the safety officer.

11 Q. I understand that.

12 But -- but my point is: At that time,  
13 during the research and development of an opioid  
14 that's going to be sold in the United States, she  
15 is signing documents that are submitted to the FDA  
16 in the United States.

17 And she is a TPI employee at that time;  
18 correct?

19 A. I don't know about signing. I don't  
20 know if this is -- if you consider this signing.  
21 She is designated as a safety officer responsible  
22 for safety of a clinical trial that is conducted  
23 in the US. Does that involve daily oversight or  
24 just at periodic -- periodic reviews of safety  
25 reports of people who are doing the daily work?

1 I don't know.

2 Q. But you know that, by -- by putting  
3 her name on that document to the FDA, she's  
4 representing to the FDA involvement, isn't  
5 she?

6 A. She's representing responsibility.  
7 I'm not sure what level of daily involvement  
8 that entails.

9 Q. Okay. Better said by you. Let's use  
10 your word.

11 Hedva Voliovitch, a TBI -- TBI -- start  
12 over. Sorry.

13 MS. HILLYER: That's okay.

14 Q. BY MR. CARTMELL: Hedva Voliovitch, at  
15 that time that she is listed there, is indicating  
16 by being listed as the safety officer during the  
17 development of an opioid in the US -- USA that  
18 she has responsibility; correct?

19 A. Yes.

20 MS. HILLYER: Objection to form.

21 MR. CARTMELL: Okay. That's all  
22 I have.

23 MS. HILLYER: Do you need a mike?

24 MR. CRAWFORD: No, that's okay.

25 //

1 FURTHER EXAMINATION

2 BY MR. CRAWFORD:

3 Q. I think it's Exhibit 40, which is  
4 Form 10-K, 12/31/18. It's the excerpt there.  
5 I just had a question about the trade receivables  
6 securitization program. If you could look at  
7 the bottom sentence, it says:

8 "Once sold to BNP, the relevant Teva  
9 subsidiary as seller has no retained interests  
10 in the receivables sold and they are unavailable  
11 to the relevant seller should the relevant seller  
12 become insolvent."

13 So doesn't that mean that, once the  
14 receivables are transferred, they have no  
15 interest in it and no ability to get it back?

16 A. That's exactly what it means. They  
17 got cash for it.

18 Q. They didn't get the receivable back.  
19 But you're saying they got cash back?

20 A. No. The receivable is the asset they  
21 transferred.

22 Q. Correct.

23 A. They got cash. So now they have the  
24 cash. They no longer have the receivable.

25 Q. So what does it mean they have no

1 retained interest in the receivable?

2 A. This is part of our notes to the  
3 financial statements that explains why the  
4 receivables are no longer on our books. This  
5 speaks to why we are, under accounting principles,  
6 allowed not to have these receivables as assets.  
7 Okay?

8 Q. And so when you're -- so Teva Ltd.,  
9 do they participate in the program, TPI?

10 MS. HILLYER: Objection to form.

11 THE WITNESS: I'm not sure. They were  
12 not -- at least as of two years ago, they were  
13 not part of the plan. Their receivables were  
14 not secure -- securitized under this program.

15 Q. BY MR. CRAWFORD: And you testified --  
16 and it's still your testimony -- that Teva --  
17 or TPI never received a dollar from the SPE  
18 for receivables that were sold --

19 A. No.

20 Q. -- or pledged by a subsidiary?

21 MS. HILLYER: Objection to form.

22 THE WITNESS: That is my testimony.  
23 The funds went -- go -- go -- it's not only  
24 history. It's always now -- also now. The  
25 funds go to the subsidiary that sells the

1 receivables.

2 Q. BY MR. CRAWFORD: You testified that  
3 Mr. O'Grady, for example, has somebody reporting  
4 to him in his capacity as a US officer and not  
5 in his capacity as a Teva Ltd. officer; correct?

6 A. Yes.

7 Q. Is there something in writing? Or how --  
8 how -- how do you know that?

9 MS. HILLYER: Objection to form.

10 THE WITNESS: I'm not sure how to answer  
11 this.

12 Q. BY MR. CRAWFORD: But what's -- what's  
13 the basis for your statement that they're reporting  
14 to O'Grady as -- as a subsidiary Teva USA officer,  
15 not in his capacity as a Teva Ltd. officer?

16 A. There are several documents talking  
17 about the organizational change that was introduced  
18 in '17 and -- gradually introduced, but started  
19 in '17 where several functions were moved to  
20 report to the commercial lead at the country  
21 level, at the regional level. Functions that  
22 before that were more global became regional  
23 or local respect.

24 Q. So there's some document that says  
25 it became more regional? Therefore, does that

1 mean prior to that time, they were reporting  
2 to -- to -- to O'Grady in his capacity or  
3 whoever's in that position as a Teva Ltd.  
4 officer?

5 A. No.

6 Q. Or --

7 MS. HILLYER: Objection to form.

8 THE WITNESS: No. Before that, they  
9 were reporting to the global head of legal,  
10 Chief Legal Officer. And now she is reporting  
11 to the commercial lead of the region she oversees  
12 the legal affairs of.

13 Q. BY MR. CRAWFORD: And "she" is who?

14 A. Kirsten Bauer.

15 Q. And who is the person she was reporting  
16 to?

17 A. Brendan O'Grady.

18 Q. Brendan O'Grady. Okay.

19 O'Grady reports to who?

20 A. To Kare Schultz, CEO of Teva.

21 Q. So how do you -- I mean, if he's reporting  
22 to Schultz and the person below him is reporting  
23 to him, is there -- I don't understand.

24 Is there anything in writing that  
25 explains what -- why that's -- you're considering

1     that reporting to him in his capacity as an  
2     officer of Teva USA?

3                   MS. HILLYER:  Objection to form.

4                   THE WITNESS:  I'm trying to think if  
5     there's a document that -- that really clearly  
6     explains it.  But I'm not sure.

7                   MR. CRAWFORD:  All right.  That's all  
8     I have.

9                   MS. HILLYER:  Nothing further.

10                  THE VIDEOGRAPHER:  The time is 8:04 p.m.  
11     We are now off the record.

12                  (The deposition concluded at 8:04 p.m.)

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CERTIFICATE OF REPORTER

I, BRENDA MATZOV, CA CSR 9243, do hereby  
certify:

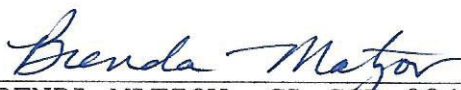
That, prior to being examined, the witness  
named in the foregoing deposition was duly sworn  
or affirmed by me to testify the truth, the whole  
truth, and nothing but the truth;

That the foregoing deposition was taken  
before me at the time and place herein set forth,  
at which time the aforesaid proceedings were  
stenographically recorded by me and thereafter  
transcribed by me;

That the foregoing transcript, as typed,  
is a true record of the said proceedings;

And I further certify that I am not  
interested in the action.

Dated this 20th day of June, 2019.

  
BRENDA MATZOV, CA CSR 9243

CERTIFICATE OF WITNESS

I, DORON HERMAN, witness herein, do  
hereby certify and declare the within and foregoing  
transcription to be my examination under oath  
in said action taken on June 20, 2019, with the  
exception of the changes listed on the errata sheet,  
if any;

That I have read, corrected, and do hereby  
affix my signature under penalty of perjury to said  
examination under oath.

\_\_\_\_\_  
DORON HERMAN

\_\_\_\_\_  
Date

1 ERRATA SHEET

2 Case: IN RE: NATIONAL PRESCRIPTION OPIATE

3 LITIGATION

4 Date: JUNE 20, 2019

5 Witness: DORON HERMAN

6

7

8 Page \_\_\_\_\_ Line \_\_\_\_\_ Change \_\_\_\_\_

9 Reason \_\_\_\_\_

10 Page \_\_\_\_\_ Line \_\_\_\_\_ Change \_\_\_\_\_

11 Reason \_\_\_\_\_

12 Page \_\_\_\_\_ Line \_\_\_\_\_ Change \_\_\_\_\_

13 Reason \_\_\_\_\_

14 Page \_\_\_\_\_ Line \_\_\_\_\_ Change \_\_\_\_\_

15 Reason \_\_\_\_\_

16 Page \_\_\_\_\_ Line \_\_\_\_\_ Change \_\_\_\_\_

17 Reason \_\_\_\_\_

18 Page \_\_\_\_\_ Line \_\_\_\_\_ Change \_\_\_\_\_

19 Reason \_\_\_\_\_

20 Page \_\_\_\_\_ Line \_\_\_\_\_ Change \_\_\_\_\_

21 Reason \_\_\_\_\_

22

23 \_\_\_\_\_  
DORON HERMAN

\_\_\_\_\_  
Date

24

25